

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

JONATHAN GREENBERG,
CHRISTOPHER GALE, ROBERT GIZA,
and MICHAEL TURRIZIANI,

Plaintiffs,

v.

JOHNSON CONTROLS, INC.,

Defendant.

CIVIL ACTION

Case No.: 2:24-cv-02521

**DECLARATION OF AUBREY KALLENBERGER
IN SUPPORT OF DEFENDANT’S MOTION TO DISMISS**

Aubrey Kallenberger declares as follows:

1. I am employed by Johnson Controls, Inc. (“JCI”) as a Senior Consultant – Total Rewards. I submit this declaration in support of JCI’s Motion to Dismiss Plaintiffs’ Complaint.
2. I make this declaration based on my personal knowledge.
3. In my role, I have knowledge of the different incentive plans applicable to Jonathan Greenberg, Christopher Gale, Robert Giza, and Michael Turriziani during the time period relevant to Plaintiffs’ Complaint. My job duties require the understanding of global plan design and eligibility rules for incentive plans, as well as working with the global teams to ensure the plan documentation is finalized and accessible to the participants annually.
4. Attached hereto as **Exhibit A** is the HVAC Smart Building, Complex and Account Sales (SCPJ, SC04) Incentive Plan FY2023 Summary Plan Description (hereinafter, “FY2023 Incentive Plan”).

5. Attached hereto as **Exhibit B** is the HVAC Equipment Seller (SC14) Incentive Plan Summary Plan Description, which replaced the FY2023 Incentive Plan for Greenberg when Greenberg became an HVAC Equipment Seller in November 2023.

6. Attached hereto as **Exhibit C** is the BSNA Territory Field Rep (Hybrid) Incentive Plan FY2024 Summary Plan Description, which replaced the FY2023 Incentive Plan for Gale and Giza.

7. Attached hereto as **Exhibit D** is the BSNA Install Rep Incentive Plan FY2024 Summary Plan Description, which replaced the FY2023 Incentive Plan for Turriziani.

8. Attached hereto as **Exhibit E** is the Frequently Asked Questions document (“FAQ”) regarding the changes and impact of the FY2024 plans included at **Exhibit C-D** (and others) on the FY2023 plan and earlier plans.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Aubrey Rose Kallenberger
Aubrey Kallenberger

Dated: _____

EXHIBIT A

Incentive Plan | FY 2023

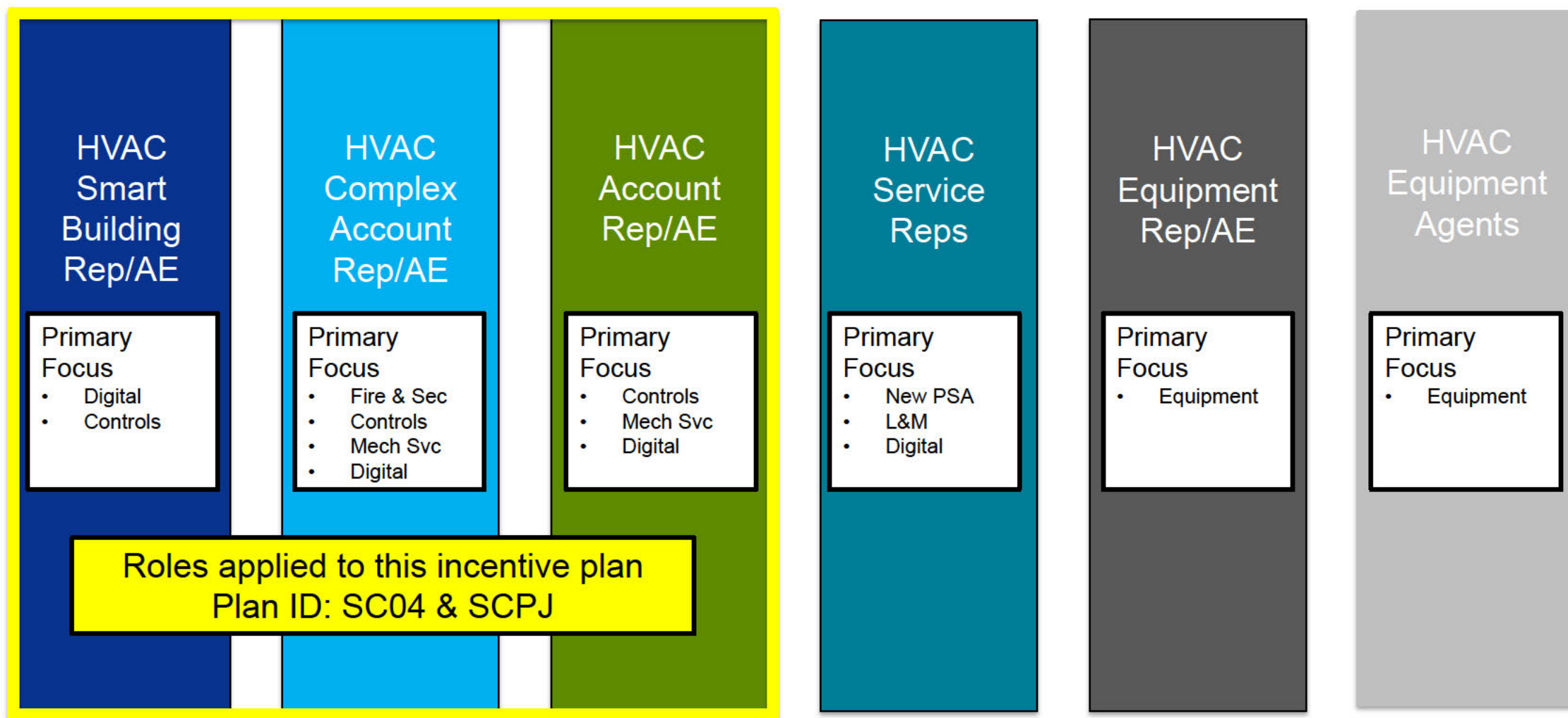
HVAC Smart Building, Complex and Account Sales (SCPJ, SC04)

Summary Plan Description - Effective October 1, 2022

Confidential



FY23 HVAC Sales Structure



One team. One goal.

BSNA FY23 Strategy

Leading customers to a smart, healthy and sustainable tomorrow

Growth Strategy Roadmap: HVAC & Complex

STRATEGIES

- 1 Win the right customer and serve them forever through effective account management
- 2 Accelerate lifecycle & digital service growth with existing footprint
- 3 Capitalize on key trends to help customers solve critical challenges, using our Healthy Buildings and Sustainable Infrastructure solutions
- 4 Create privilege of focus for Equipment, Smart Buildings & Services growth

PRIORITY VERTICALS



Healthcare



Education



Government



Data Centers



Commercial Real Estate



Industrial

ENABLERS



Customer & Market Intelligence



Product & Solution Training



Front Line Team



Inside Sales / Lead Generation



Commercial & Vertical Alignment



Market Back Portfolio Management / R&D

DIGITAL

Connected Chillers

Net Zero Buildings

Enterprise Manager



Connected Metasys

Healthy Buildings

Connected Panels

FY23 Sales Structure

HVAC
Smart Building Rep/AE

HVAC
Account Rep/AE

HVAC
Service Reps

HVAC
Equipment Rep/AE

HVAC Equipment
Agents

One **team.** One **goal.**

Customer Focus

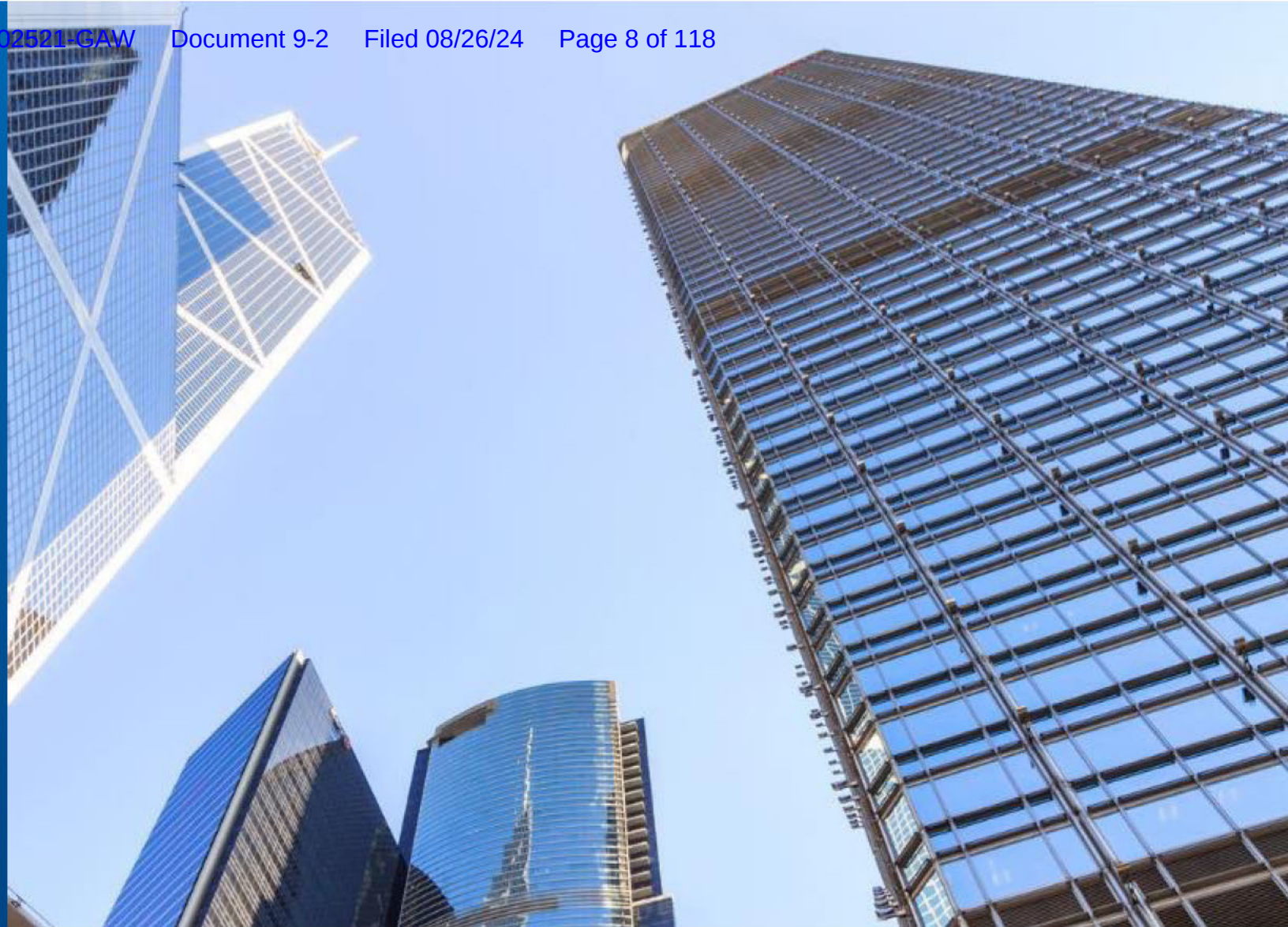
Leading customers to a smart, healthy and sustainable tomorrow

Sales aligned to deliver exceptional value & serve our customers the way they want to be served:



FY23 HVAC Smart Buildings, Complex and Account Rep/AE Sales Overview

Plan ID: SCPJ & SC04





Calculating Core Commission: SGM Tiers

Install & L&M

(SCPJ & SC04)

Determine your Install & L&M SGM Tier based on your YTD Secured Gross Margin

FY23: P&S-C, P&S-R Prime, L&M, Branch PC Commission Rates (Core)*

FY Secured Margin Tier

Application Notes:

- Eligible Install Contract Types are:
Plan & Spec Construction (PS-C), Plan & Spec Retrofit (PS-R), Prime Retrofit, Labor & Material (L&M) and Performance Contract (PC)
- All secured gross margin applies to the tier calculation except Security or Fire Domain margin and International Credit splits
- When the higher tiers are reached, the higher rate will apply retroactively to all contracts booked in the FY
- By Contract, the tier applicable at close of the FY in which the contract booked is applicable to all future commission calculations



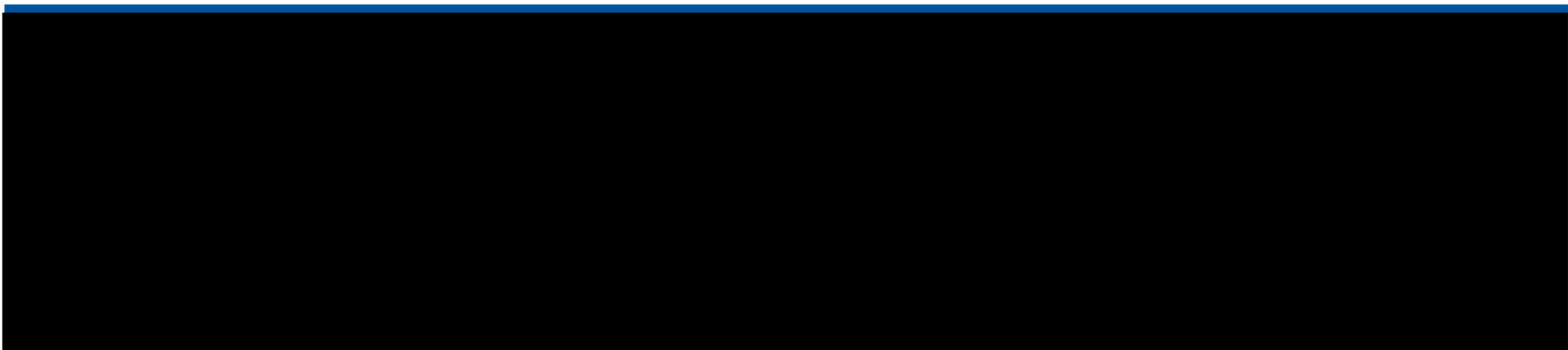
Calculating Core Commission: Commission Rates

Install & L&M

(SCPJ & SC04)

Case 2:24-cv-02521-GAW Document 9-2 Filed 08/26/24 Page 10 of 118

Table 1: Determine your Install & L&M Commission Rate

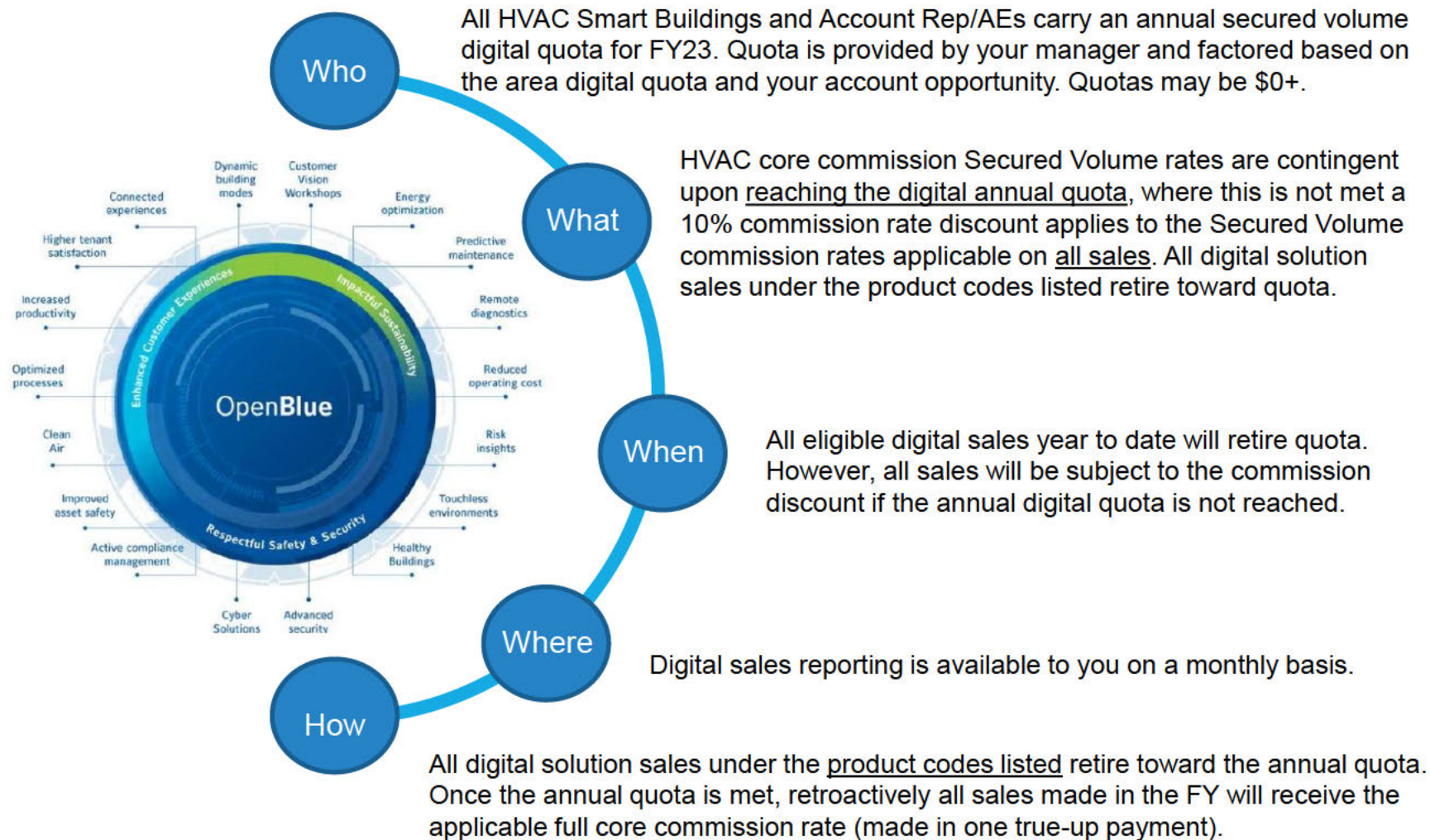


Application Notes:

- Digital Quota Linkage
 - Rates shown require annual digital quota achievement, if the digital quota is not achieved rates applicable are [REDACTED] of the rate shown above
- [REDACTED]:
 - [REDACTED]
 - SV commission multiplier applies when targeted SGM% rates are exceeded
 - Target margins are defined and published by pricing and subject to change without notice
- [REDACTED]:
 - [REDACTED]
 - All Capital Projects are paid at tier 1 rates (regardless of YTD production attained)
 - Capital Projects are eligible for the SV Commission Multiplier
 - Executed Margin component applied to Capital Projects is paid as Cash is received. No advance at booking.
- Executed Margin Commission:
 - Is based on the lower of actual gross margin or latest re-estimated gross margin as credited to the salesperson multiplied by the executed margin commission rate. Once a contract transfers, only actual gross margin will be used

FY23 Digital Quota Details

(SC04 & SCPJ)



Digital Solutions	HVAC
OB Active Responder	8D
OB Bridge	8L
OB Central Utility Plant (CUP)	8H
OB Cloud	DV
OB Companion	EO
OB Connected Chillers	8F
OB Digital Others	8G
OB Enterprise Manager	NN
OB False Alarm Reduction	8E
OB Location Manager	8C
OB Risk Insight	8I
OB – Remote Diagnostics & Reporting	8Q
OB Twin	8M
OB Viewer – BIM Services	8V
Technology Professional Services - OB	DP
OB AI Solutions	8S
OB AI Services	8R
OB Patient Room	8U
OB Tempered Standalone	8T
Performance Verification Tool Autoscan	8W



Calculating Core Commission: Pay Timing

Install & L&M

(SCPJ & SC04)

Understand when commission is due & your payout timing

FY23 Install & L&M Pay Timing	
Incentive Component	Payment Timing
A Secured Volume	Paid at month end; one month following the month of booking
Executed Margin	B 1. 30% paid up front at month end, one month following the month of booking
	C 2. Payments continue to be made as cash is collected from 30% to 65%
	D 3. Remaining paid at time of transfer (100% cash collected)

How we pay incentives

A&B

Pay Booking Incentive:

$(SV \text{ Rate} * SV\$) * (1 + \text{Kicker}) + 30\% (XGM \text{ Rate} * SGM\$) = \text{Incentive Payable at Booking}$

C

Pay Monthly Incentive:

$CASH\% (XGM \text{ Rate} * XGM\$) = \text{POC Monthly Incentive}$

D

Pay Monthly Incentive:

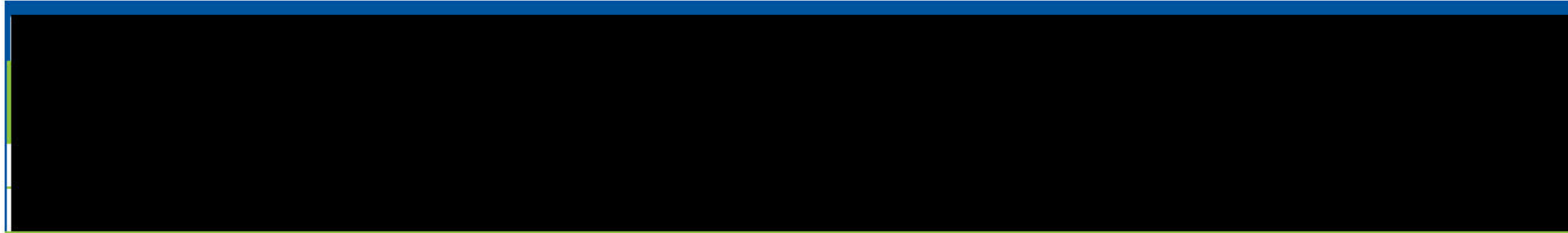
$35\% (XGM \text{ Rate} * XGM\$) = \text{Closeout Incentive}$





PSA/OPS/M&V Commission

(SCPJ & SC04)



Application Notes:

- Eligible Service Types are:
PSA, Operations (Ops), Measurement & Verification (M&V)
- Contract types are New, Expansion, Base Renewal, or Must Win Renewals
- Target margins are defined and published by pricing and subject to change without notice
- Base renewals are only eligible for the “Must Win” renewal commission rate or the “Base Renewal” commission rate, not both





Determining the modifier requires 3 inputs:

1. Contract Type: New or Renewal
2. Contract Category: Tiered or Non- Tiered
3. Contract Length: Up to 5 Years

Application Notes:

- Qualified tiered contracts must have $\geq 50\%$ of the contract associated with a tiered service level:

Essential	Enhanced	Expert	Essential Advisor
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- All estimates need to start by using the tiers as the basis of the quote, all digital offerings are automatically embedded in the tiered offerings
- Max creditable contract length remains 5 years
- Must be a multi-year purchase order for the life of the contract.
- Change orders will not be considered for multi-year credit if the base contract was not a multi-year contract
- O&M is applied as Non-tiered

Contract Modifier Example:

A 3 year tiered contract would be eligible for a modifier of 3X the first year SGM when calculating commission!

The Tiers: Align With Buyer Needs



Steps to Receive Tiered Credit



Remember: Additional information and support accessible from the [OpenBlue Tiered Services Page](#)



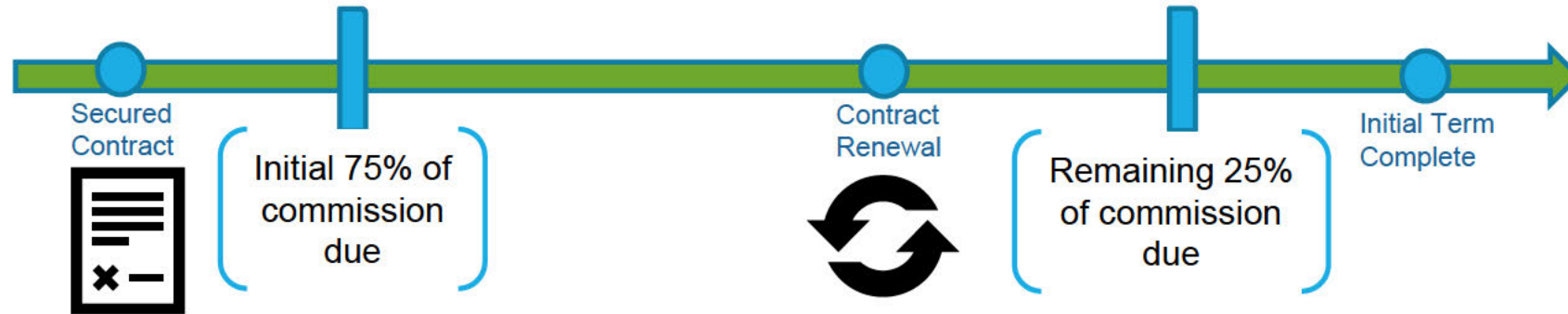
Calculating Core Commission: Pay Timing

PSA/OPS/M&V Commission

(SCPJ & SC04)

Case 2:24-cv-02521-GAW Document 9-2 Filed 08/26/24 Page 17 of 118

Determine your Payment Timing

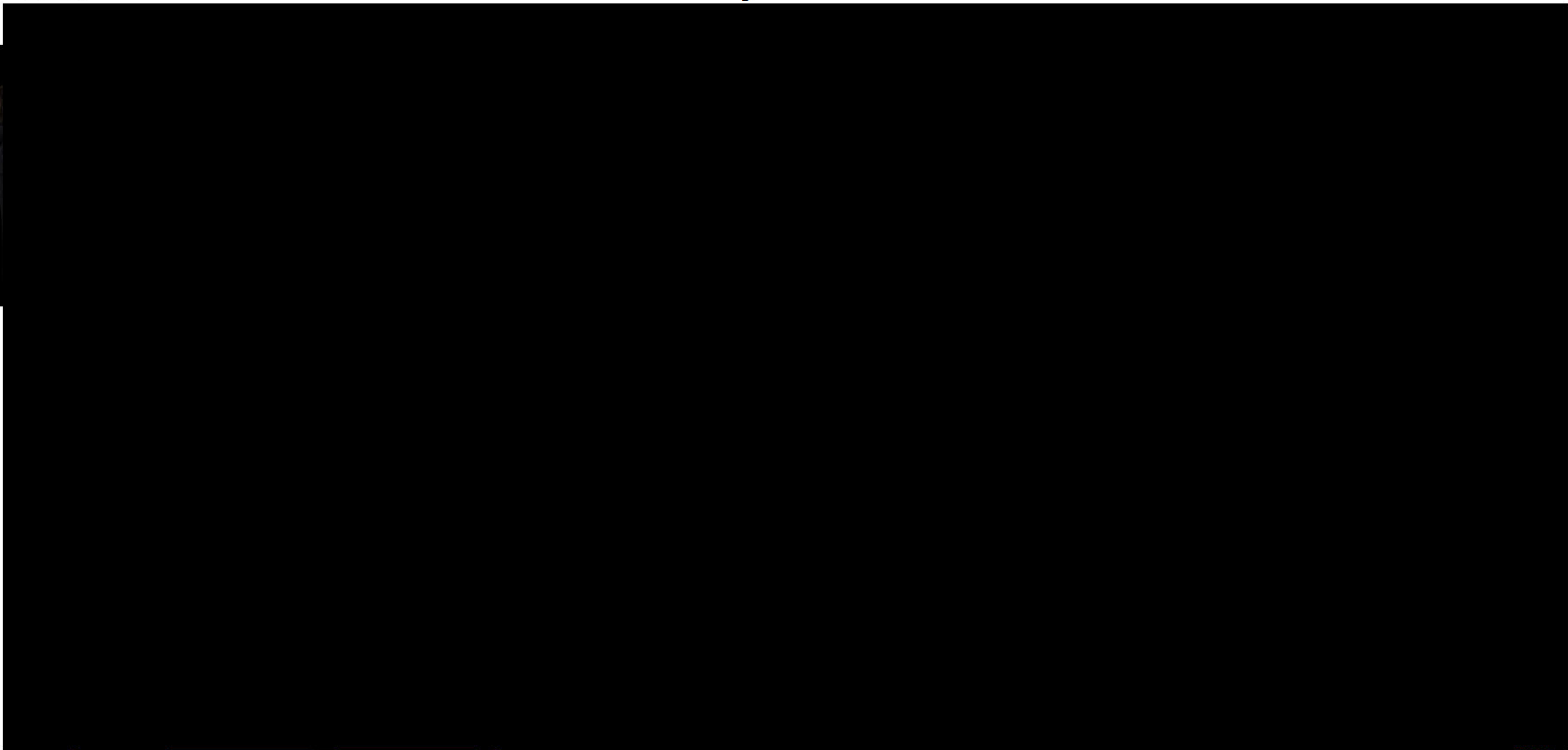


Application Notes:

- Credited 75% within 45 days following the month in which the contract is booked
- Remaining 25% within 45 days following the month in which the contract transfers and renews.
- If not renewed, the remaining 25% is not considered earned.

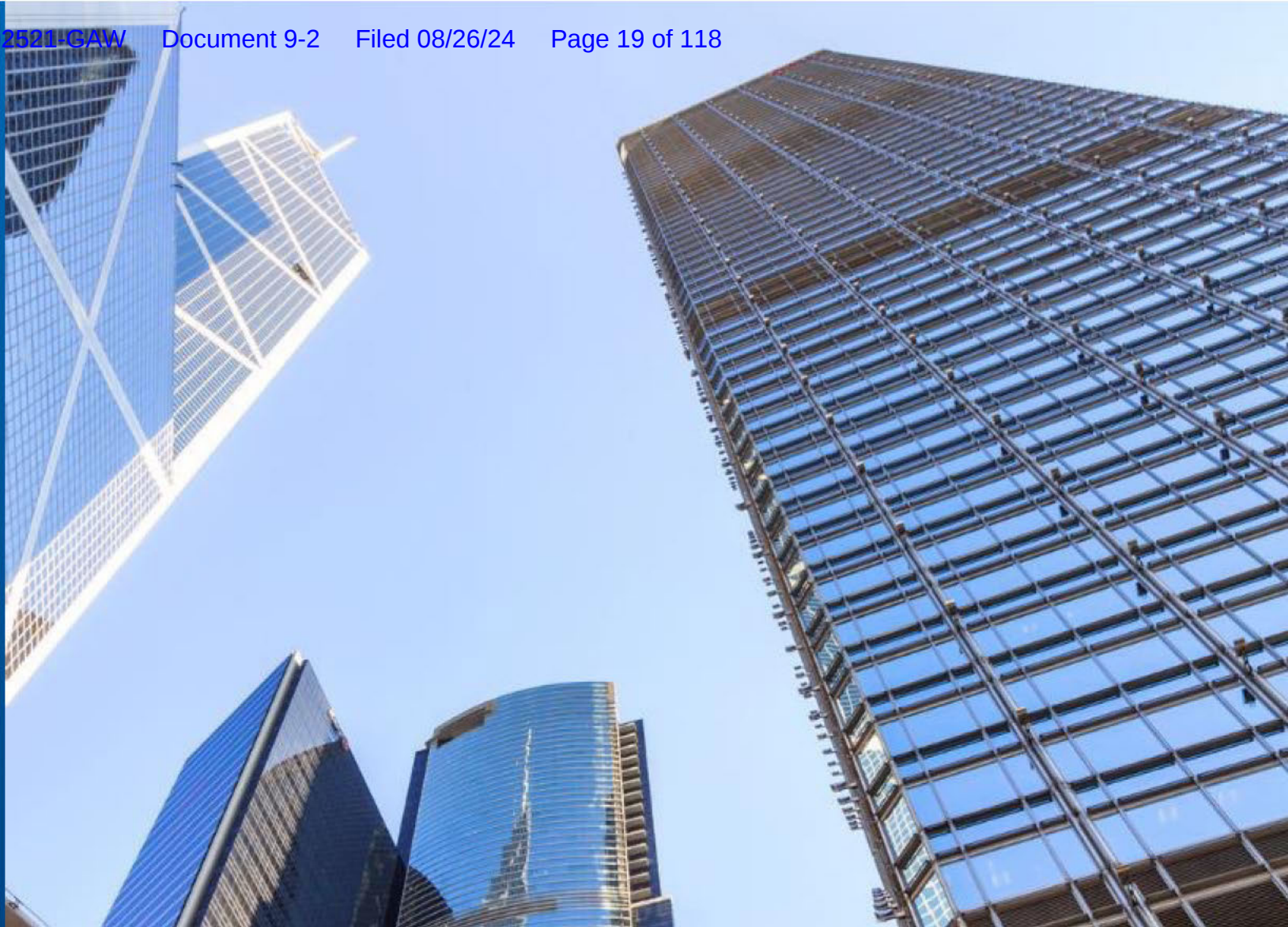


Calculating Core Commission: PSA/OPS/M&V Incentive Example



FY23 Other Program Elements:

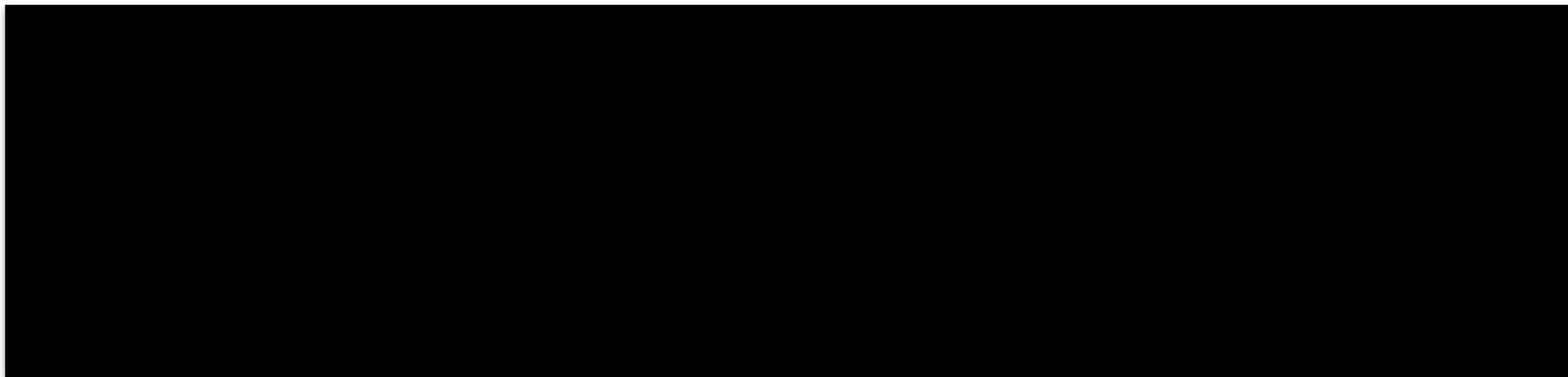
- ☐ Pre-Payment Incentive
- ☐ Teaming Incentive Updates
- ☐ New Controls Expansion Program
- ☐ Basis of Design Program Updates
- ☐ High Producer
- ☐ Large Project Split Credit





Pre-Payment Kicker

All sellers across Fire, Security and HVAC who book an eligible agreement that is **prepaid** will receive the following one-time payout:



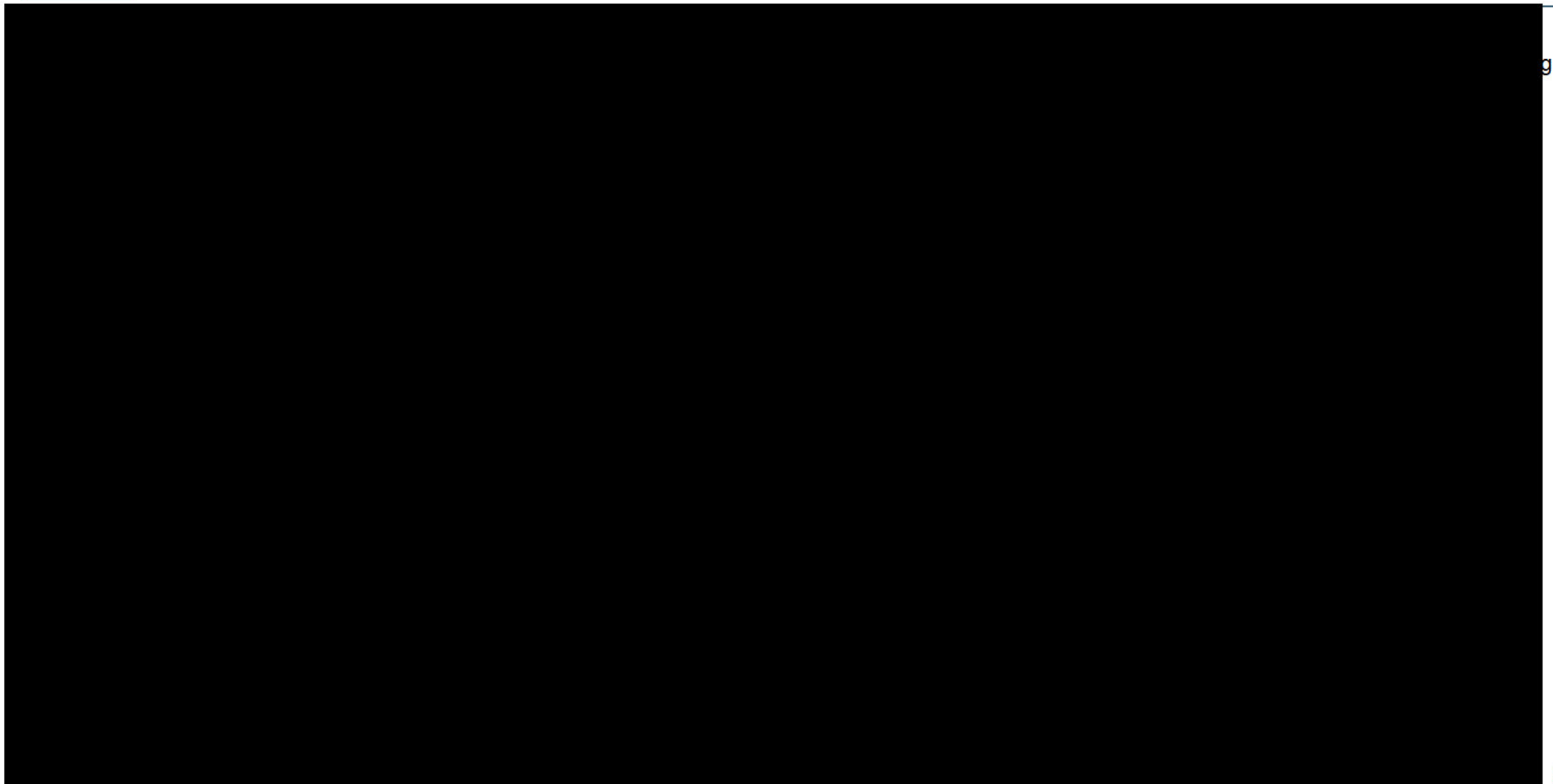
Terms and Conditions:

- Labor & Material (L&M), Planned Service Agreements (PSA) and Performance Infrastructure agreements are not eligible
- [REDACTED]
- Seller split credit eligible
- To qualify for prepayment, the cash must be collected within 30 days of booking
- You must be an active employee at time of payout to be eligible for payment



HVAC Selling Sales Manager, Smart Building, Complex or Account Teaming Uplift

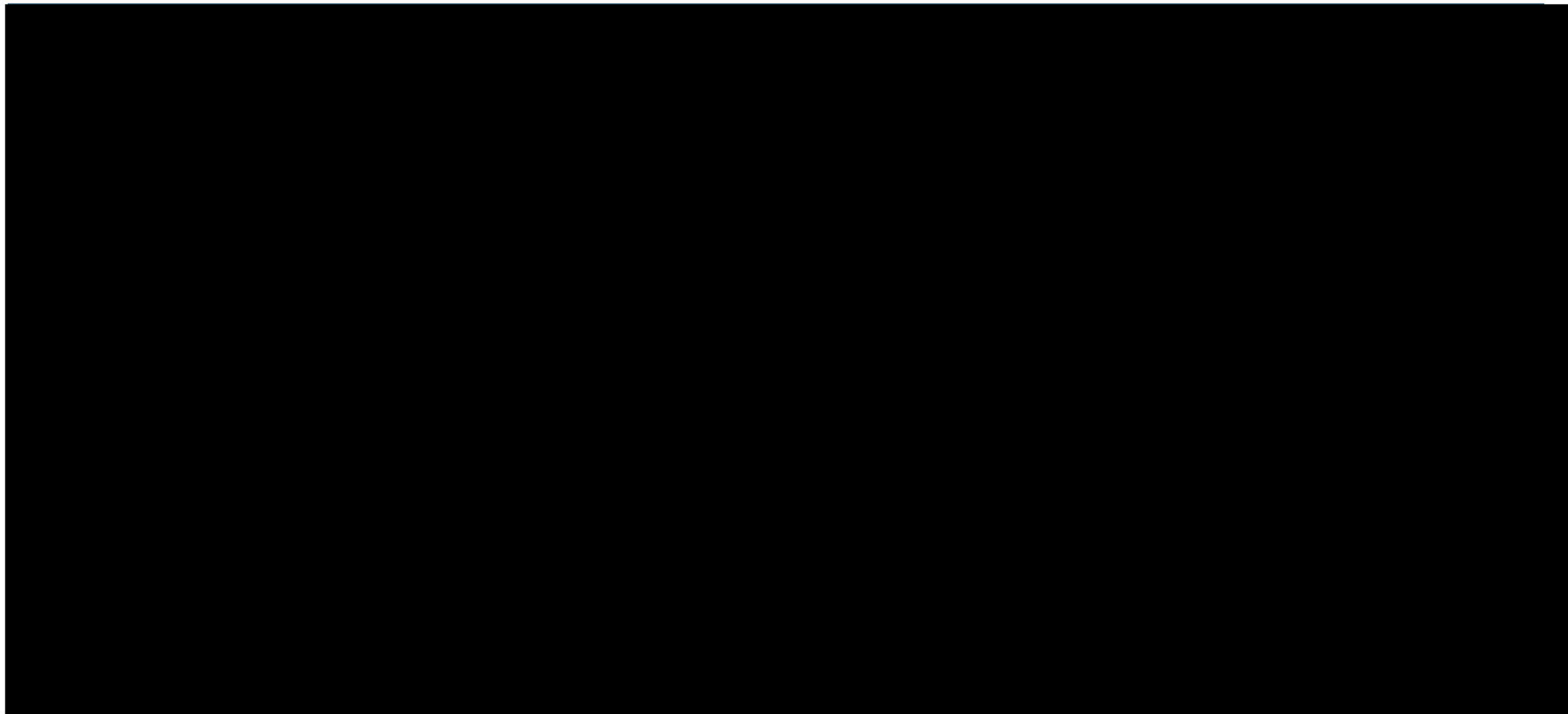
(SLMT, SCPJ & SC04)





HVAC Equipment & Agent Teaming Uplift

(SLMT, SCPJ & SC04)



BSNA HVAC Core & Equipment Sales (FHE)/Agent Co-Selling

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]



FY23 Controls Expansion Incentive

(SCPJ, SC04 & SLMT)

Controls Expansion Program

Purpose:

- To expand the number of new controls customers
- Provide real time incentive for new controls customers

Who:

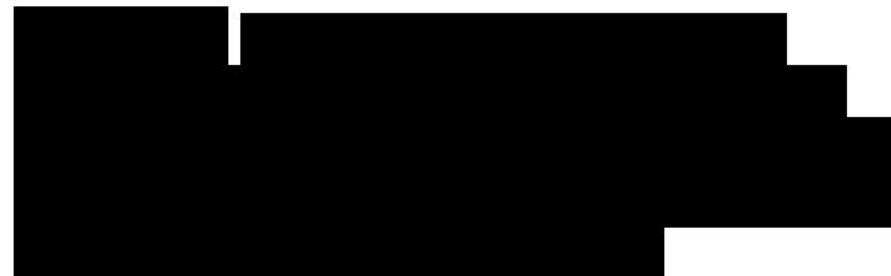
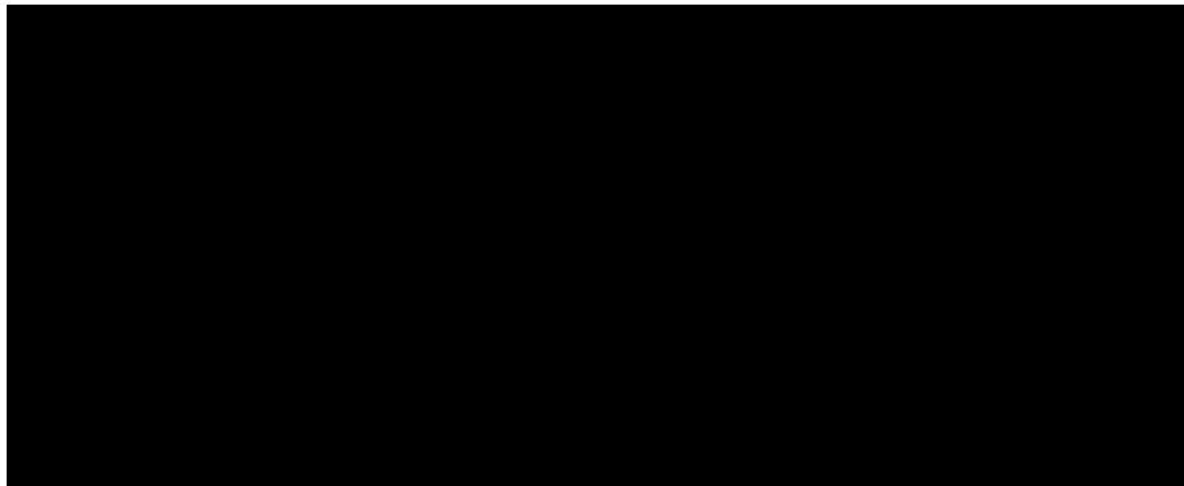
Program applicable to Smart Buildings Rep/AE, Complex Rep/AE or Account Rep/AE sellers & Selling Sales Managers

[REDACTED]

[REDACTED]

When:

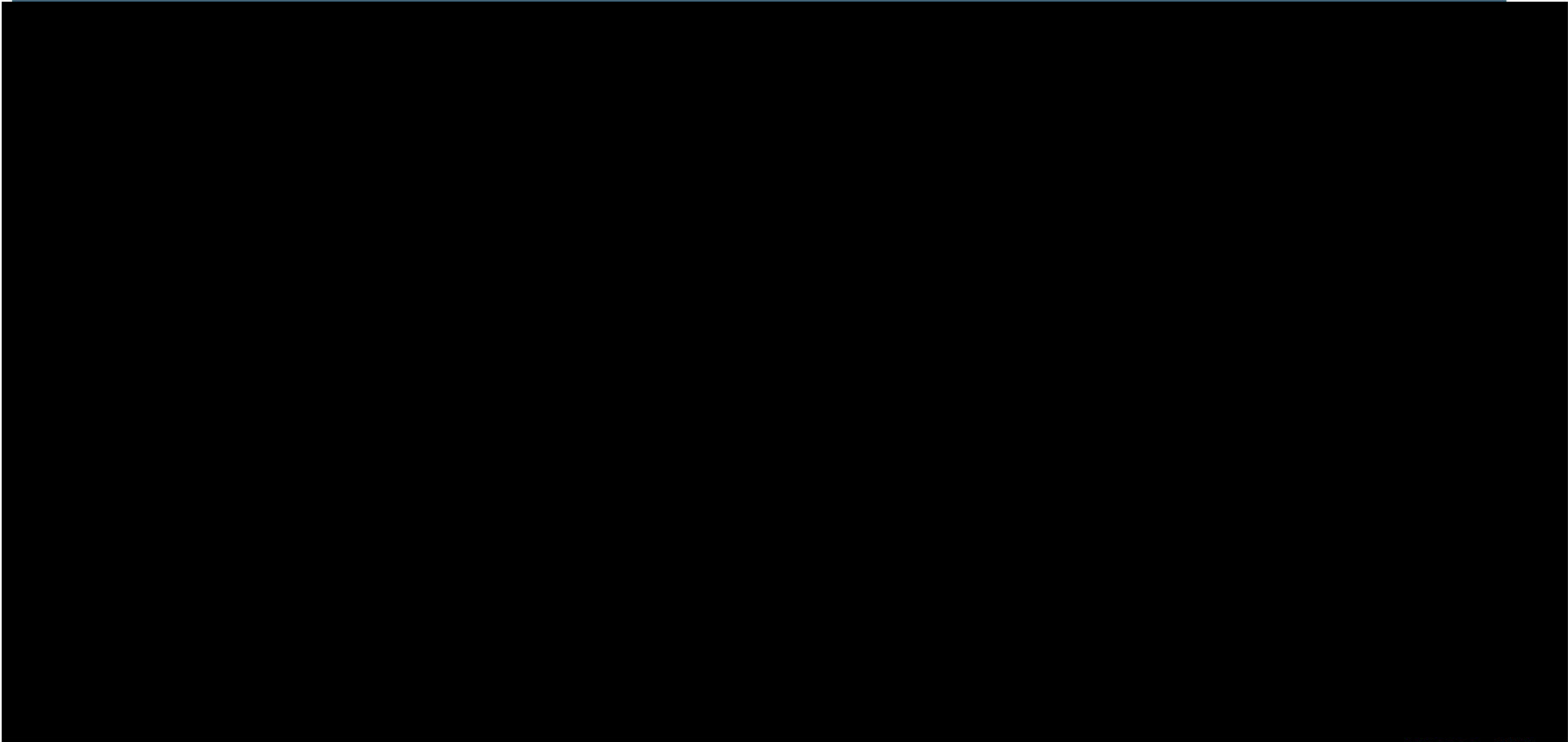
Sellers will be paid the kicker the month following when the revenue is recognized





Basis of Design (BOD) Bounty Incentive

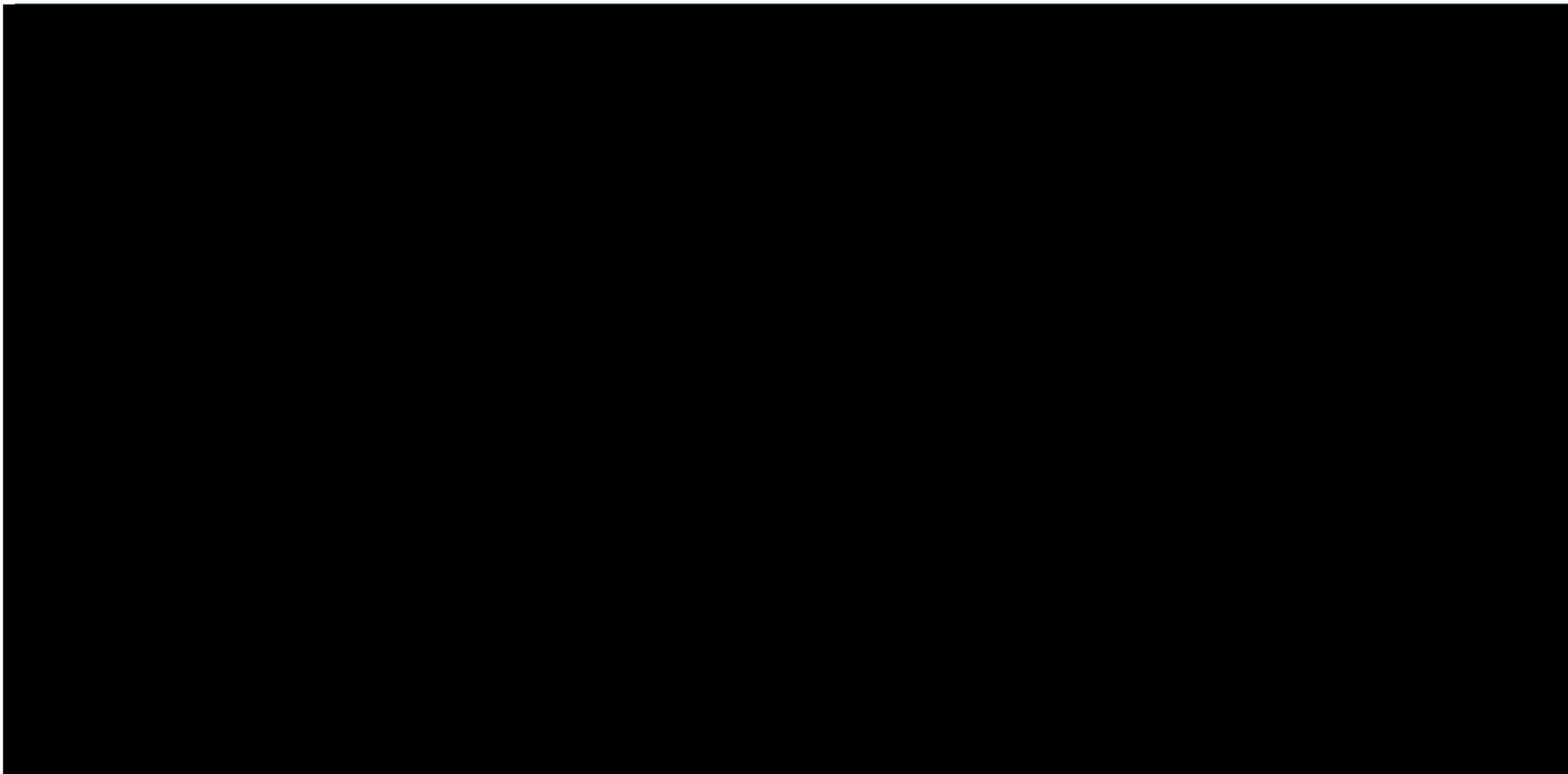
(SCPJ, SC04 & SLMT)





FY23 High Producer Incentive Overview

(SCPJ, SC04 & SLMT)



High Producer Incentive

High Producer Incentive (based upon secured gross margin)

This incentive rewards significant levels of performance within a single fiscal year and provides an opportunity to earn substantial income for sustained performance achieved year after year.

High Producer Incentive Eligibility - Salesperson eligibility will be determined by reviewing incentive eligible secured gross margin results for the previous three fiscal years (as applied to the incentive plan terms as earned) plus the current fiscal year. In this four year time period starting from the current fiscal year and working back, the number of successive years in which the minimum secured gross margin threshold is achieved will determine which column to use on the chart. In this four year time period, any year in which the minimum threshold is not achieved, the salesperson restarts eligibility with the next year that is successive. The row to use on the chart is determined by the secured gross margin in the current fiscal year. Note: New PSA/OPS/M&V multi-year margin credit is included (5 year maximum)

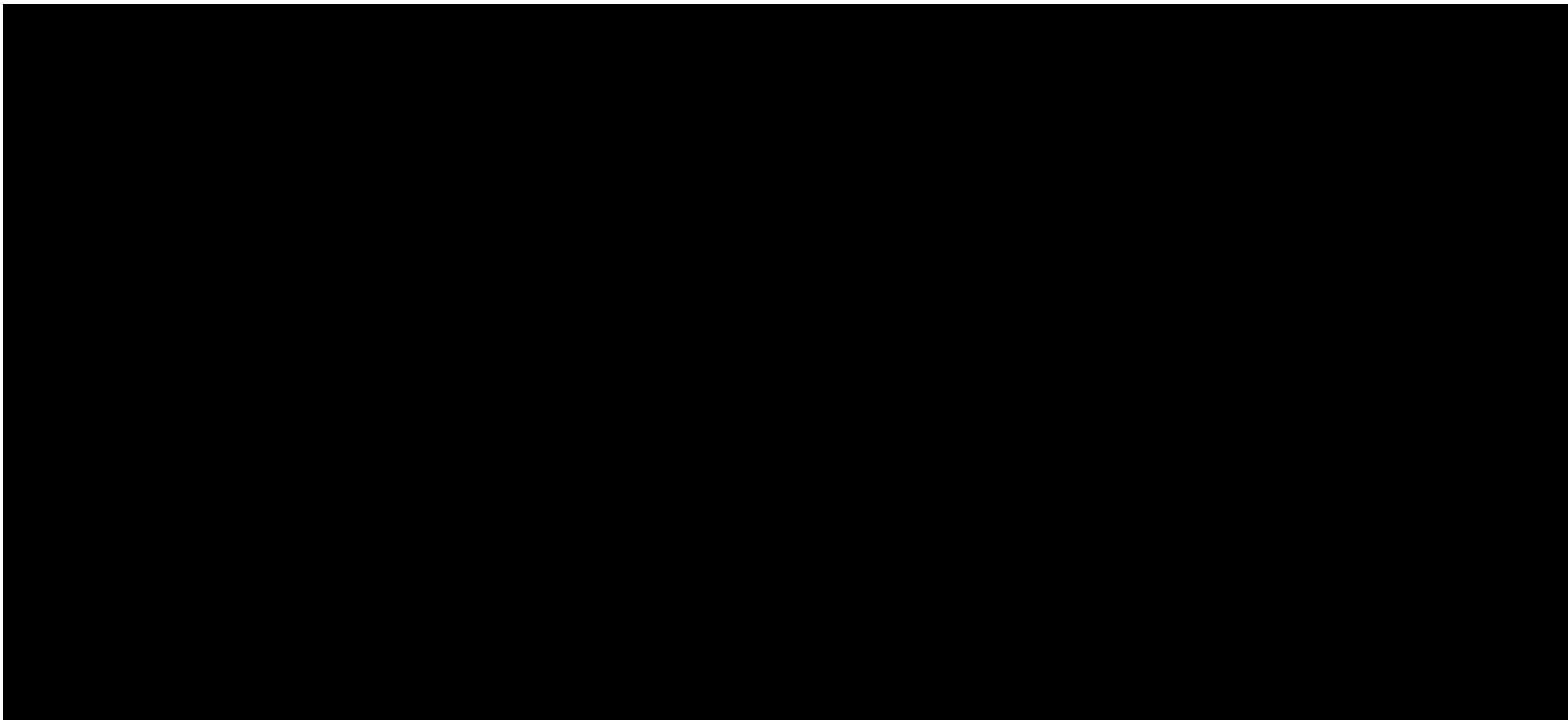
New or Transferred Salesperson Eligibility – The indicated minimum eligibility amount will not be pro-rated for a salesperson starting mid-year. The salesperson must be employed in a BSNA HVAC sales rep position.

Earnings & Payment –The High Producer incentive is calculated once and weighted in two increments of 50% each. The first 50% increment is earned and paid within 45 days following each tier minimum threshold (from Table 3) is exceeded, less the sum of all previous payments. The second 50% increment is earned subject to continued employment in a sales role and paid within 45 days following the conclusion of the next fiscal year. The amounts shown in Table 3 are the total values paid at the indicated level, not the incremental amount paid. The salesperson must be employed in a BSNA HVAC sales position at the conclusion of the following fiscal year when the final 50% payment is due to receive payment; at which time 100% of the incentive for the previous year will be deemed as earned.

Application To High Producer

- All incentive eligible secured contracts will apply towards high producer in the fiscal year that the base contract or change order was booked.
- L&M tickets as credited will apply towards high producer when billed and transferred.
- PSA/OPS/M&V new contracts (multi-year up to 5 years) and the expanded portion of renewals (with minimum 10% growth in volume and margin) will apply towards high producer.
- PSA/OPS/M&V base renewals as credited to the salesperson will apply towards high producer.
- Large projects subject to the split-credit program will be credited for High Producer the value after all splits are applied.
- Intra/inter-company sales between Johnson Controls Business Groups (Corp, and Global Products) will apply towards high producer at half the normal amount.
- Overlay (Adjusted Split Credit) credit on CT projects (=>1 million CSF cost) will apply towards high producer.
- Secured Margin for Security & Fire domain credit splits and International orders does not apply.

EXAMPLE Sales Rep





Incentive Details

The power behind **your mission**



Additional Rules For Incentives

Exclusions

Contracts booked on letters of intent are excluded from any incentive calculation.

Salespersons will not earn sales credit for the following types of contracts:

- Parts and/or Material only sales (except when included with initial order for equipment and submitted prior to equipment start-up).
- Sales made to stocking accounts

International Orders

When a contract is sold by a US or Canadian Branch to a 3rd party customer in the US or Canada with a destination outside the US or Canada, the contract will be booked in CBS and paid in accordance with the commission rates on Table 1.

When a contract is sold by a US or Canadian Branch to a customer outside the US or Canada, the Salesperson's employee ID must be indicated on the contract and will be booked in CBS and paid in accordance with the commission rates on Table 1.

When a contract opportunity exists in an international branch (not US or Canada), submit an ICSF Form (International Credit Split Form) directly to the Incentive Comp Group general mailbox BTS-NA-CallidusCommissions@jci.com. Any incentive on secured contracts will be granted when the profit is recognized by BE International Accounting. These contracts will pay 7% of the International gross profit dollars received converted to US or Canadian dollars according to the rates issued by JCI Corporate Treasury. Contract does not apply towards any aspect of the High Producer or Tier.

Grandfathered' Contracts

All open contracts secured prior to the effective date of this plan will not earn sales incentive under this Plan and will be paid in accordance with the plan in effect at time of booking.

Contract Cancellation

To the extent that incentive is paid on a contract that is later cancelled, de-booked, and/or has deductive change orders, a proportional amount of the incentive will be deducted from any of the salespersons future incentive payments not to exceed the total incentive paid on the contract.

Additional Rules For Incentives (Cont.)

Incentive Reconciliation, Overpayments and Advances

Please note that the Company is paying incentive, in some instances, prior to when the incentive is actually earned. Incentive on a contract is not actually earned until transfer and reconciliation. The Company reserves the right to deduct overpayments from future incentive payments. This reimbursement is referred to as a "chargeback." Chargebacks on a contract will not exceed total amount of incentive paid on that contract.

All incentives and kickers described in this plan will be reconciled and treated as earned within 45 days following the month that the contract transfers and is 100% collected. Additional incentive due or any overpayment will be paid or collected with the next pay cycle. Further payments or chargebacks may be made in future months based on any subsequent charges, credits or similar items. Negative adjustments to a salesperson's incentive will not exceed total commission paid on the contract.

Intra/Inter Company Sales

Sales made between Johnson Controls Business Groups (Corp, and Global Products) in which one Group has sold products/services to another for consumption. (Example: A salesperson sells a project within Johnson Controls). Commission rates for all intercompany sales will be one-half (1/2) the rates defined in this Salesperson Incentive Compensation Plan and sales credit must be approved by Area General Manager at the time of the booking. Sales between Groups for resale are not subject to the intercompany rate.

The amount that applies to High Producer will be ½ the standard value as defined in this sales persons incentive compensation plan.

JCFS and JCBAS Contracts

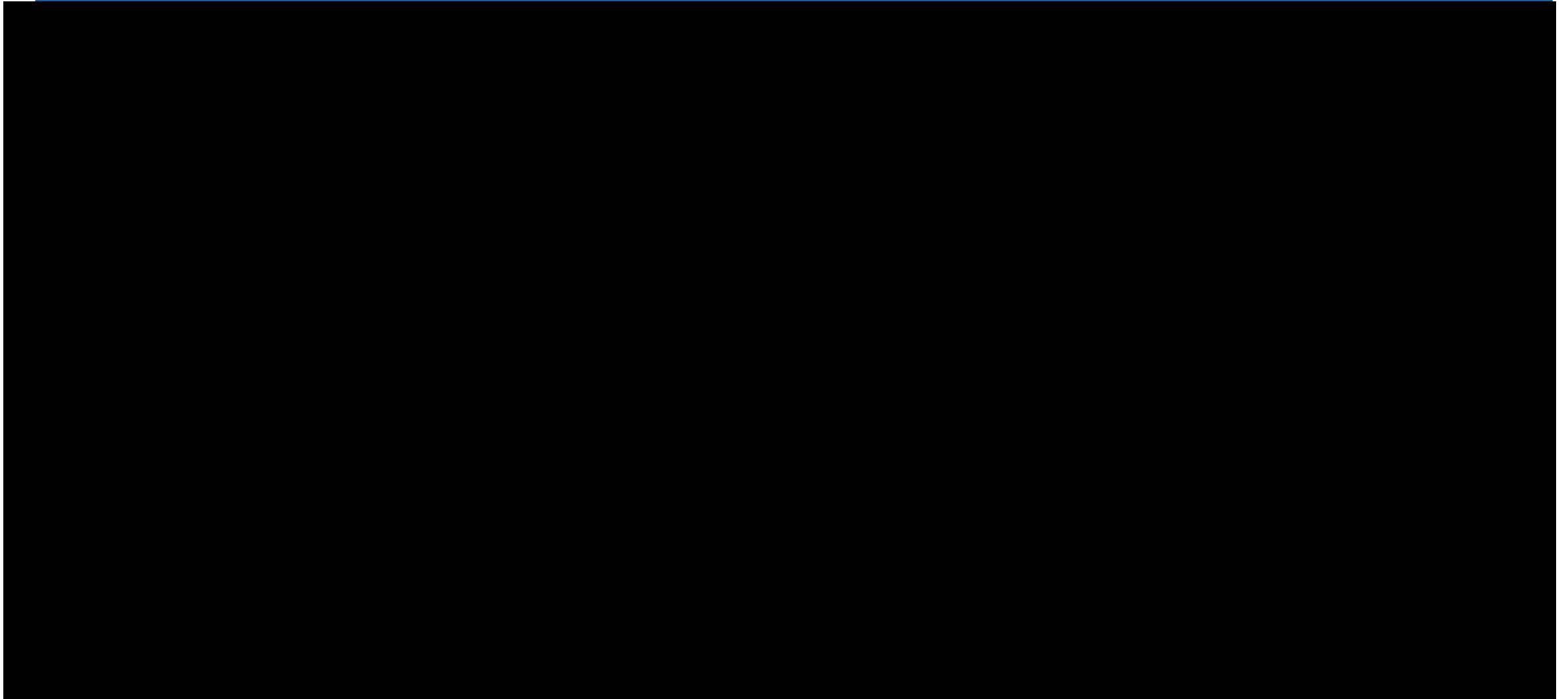
Salespersons will be paid in accordance with the commission rates and other provisions of the HVAC Incentive Compensation Plans, based on line of business sold, for contracts booked under Johnson Controls Federal Systems (JCFS) and Johnson Controls Building Automation Systems (JCBAS). However, determination of sales credit earned and the timing of Executed Gross Margin incentive payments will be based on the current Federal Systems Salesperson Incentive Compensation Plan.

Split Credit Guidelines

When a sales team (one or more employees) books a project consisting of a single contract or a group of contracts, sales credit is earned by each contributor based on the Buildings Solutions North America (BSNA) HVAC split credit policy guideline (Appendix A) as approved by the responsible sales manager. For projects with a secured margin in excess of the large credit split guidelines, split credits to sales people are applied after the Large Project Split Credit Guideline (below)

FY23 Large Credit Split

(SCPJ, SC04 & SLMT)



Additional Rules For Incentives (Cont.)

Sales Credit Splits For Performance Infrastructure Blended (Intercompany Subcontract) Projects

On all Performance Infrastructure opportunities, Sales Credit for all participating salespeople should be applied to the Performance Infrastructure Origination Contract at booking. This booking represents the total JCI booking volume including Performance Infrastructure Associated Subcontracts booked in the branch as reflected on the Performance Contracting Booking Checklist; however, the estimated margin at booking is the Performance Infrastructure Diluted Margin only.

While Performance Infrastructure Associated Subcontracts are booked in the branch, Sales Credit on these Performance Infrastructure Associated Subcontracts should be assigned to the house account. No incentive will be calculated on the Performance Infrastructure Associated Subcontract bookings.

If There Is an Associated JCLS Lighting Booking

While JCLS Subcontracts are included in the Performance Infrastructure Origination Contract volume, split credit should continue to be applied to JCLS Subcontract. For incentive purposes, margin commission on the JCLS Subcontract will be applied separately according to the Contract Margin incentive chart for Performance Contracting and Prime Retrofit.

Performance Infrastructure Blended Margin With Branch Subcontracts

The Performance Infrastructure Origination Contract Booking field must include the primary Performance Infrastructure PC contract number on the branch Subcontract Bookings. All Performance Infrastructure Associated Subcontracts booked in the branch and the Performance Infrastructure Origination Contract must be PC Contract Type 21 (Not applicable for JCLS Subcontracts.)

The Contract Margin commission chart rates will be applied based on the split credit share of the Performance Infrastructure Origination Contract multiplied by the sum of the Diluted Margin of both the Performance Infrastructure Origination Contract and each of the Performance Infrastructure Associated Subcontracts (the Blended Margin). The Contract Margin incentive will be detailed on the Performance Infrastructure Origination Contract number in the salesperson's commission statement based on the Blended Margin.

Timing of Incentive Payments On Performance Infrastructure Blended Margin

If the Performance Infrastructure Origination Contract and Performance Infrastructure Associated Subcontract Booking occurs in the same month, incentive calculation will pay on total Performance Infrastructure Blended Margin values in following month.

If the Performance Infrastructure Origination Contract and Performance Infrastructure Associated Subcontracts are booked in different periods, then Advance Payment and total Performance Infrastructure Blended Contract Margin payments will be paid incrementally as contracts are booked and will reconcile the project incentives as subcontracts are booked and tied to the Performance Infrastructure Origination Contract.

Financial Measure Definitions

Allocated Gross Margin - The calculation used to allocate gross margin of combined contracts by product type based upon the Product Type standard gross margin.

Allocated Volume - The calculation used to allocate volume of combined contracts by product type based upon the Product Type Standard gross margin.

Commission Rate - The commission rate is defined as the multiplier defined by management that is applied to each contract to determine an incentive payout.

Contract Booking - The contract is considered booked when approved by Management and uploaded into JCI Financial source systems.

Contract Type - Reference for Plan & Spec Retrofit, Plan & Spec Construction, Performance Contract, Prime Retrofit, Planned Service Agreement, Operations & Maintenance agreement or Labor & Material contract booking types

Contract Type - Unscheduled Service: Customer calls the branch or the 24x7 Call Center with a request for repair service.

- By default this books as in NxGen as an L&M/L&M Service Request (SR). The SR Type and Subtype can be modified if needed.
- When creating the SR, utilize the Potential Warranty and Potential Contract Coverage flags to indicate whether the SR needs to be reviewed for warranty or PSA contract coverage.

Contract Type - Scheduled Service: Customer has an active Planned Service Agreement (PSA) or Solutions M&V contract.

- **Standard PSA:** Customer has Scheduled Service Visits (SSVs)/Preventative Maintenance (PM) built into the contract. This is booked as a PSA Agreement in NxGen.
- **Solutions M&V:** Used to verify a performance guarantee has been met for designated units. Can be executed through a multi-year PSA or a one-time protocol. Both are booked through Oracle.
- **Renewals:** PSAs and OPS Agreements can be booked as either New or Renewal. Refer to the BE North America Planned Service Agreement Renewal Development BOS Policy for additional guidance.

Contract Type - Facility Management/Maintenance: JCI has staff full-time, on site to maintain a customer site.

- **Operations & Maintenance (O&M):** Requires one or more full-time account managers and/or technicians to be onsite every day. Work is typically focused on high-tech mechanical, electrical and general maintenance and repair services. Books as an OPS Agreement in NxGen.
- **PI/P3 Facilities Management (FM)/ Operations (Ops):** Requires a large, full-time on site staff, along with a dedicated relationship manager. Contracts are typically multi-year with broad project scopes with a heavy emphasis on management and support. Scope of work typically includes full-scale O&M and facility support services where management is provided for services such as security, landscaping, janitorial catering, etc. Books in Oracle.

Financial Measure Definitions (Cont.)

Contract Type - Material Only: Material is sold to the customer directly without installation.

- If billed at a quoted price, books in NxGen as a Material Only/Material Only Quote.
- If not billed at a quoted price, books in NxGen as a Material Only/Material Only SR.

Contract Type - Quoted Repairs: Work is proposed to the customer for one flat price. Work will be completed within 60 days and does not require project management. The customer is not expecting progress billing for the work.

- By default, this work is booked in NxGen as a L&M/Custom Quote.
- If the work will not be completed within 60 days, the work requires project management, or the customer expects progress billings, the work should be booked under the Retrofit/Project scope.

Contract Type - Prime Retrofit/Plan & Spec/Plan & Spec Construction: Work will not be completed within 60 days or requires project management, or the customer expects progress billing for the work. All work under this scope is booked in Oracle.

- **Performance Contract (PC):** Energy and/or operating efficiency retrofits within existing or new buildings that are typically negotiated directly with the owner incorporate either contractual or stipulated performance guarantees, and include financing either provided or arranged by Johnson Controls. May also include a multi-year PSA, O&M, or FM agreement that includes hours for the monitoring and management of the performance guarantee.
- **Plan & Spec (P&S) Construction:** New square footage contracts typically procured through the Plan and Spec Process. These contracts may be negotiated or bid, and the contracting method is through a general contractor, a mechanical contractor, electrical contractor, another subcontractor, or in some cases, the Owner's Agent. These jobs typically involve detailed plans and specs, the project duration is typically greater than 60 days, the use of consultants is very common, and there is a high degree of project management.
- **Prime:** Projects where the Contract/Purchase Order is direct with the Owner and JCI is the Prime Contractor. The scope of work could be defined and developed by the customer, a third party, or JCI, and is negotiated and contracted direct with the Owner or Owner's Agent. Work normally takes longer than 60 days to complete and requires project management. Work typically requires a schedule of values and progress billing. Scope of work could include the addition, replacement, or enhancement of equipment, controls, and/or fire/life safety/security systems. This work category occasionally includes blanket purchase agreements to perform work on sites where the specific scopes are not yet determined, but there is a firm commitment by the owner to a pricing structure. Work performed in existing square footage.

Financial Measure Definitions (Cont.)

Contract Type - Prime Retrofit/Plan & Spec/Plan & Spec Construction (Cont.)

- **P&S Retrofit:** Typically covers all other retrofit work within existing buildings not classified as PC or Prime. This contract type includes retrofits where consultants often develop the plans and specifications for the contracted work. The scope may be developed with an owner, but the contracting method for delivery is through a general contractor, a mechanical contractor, electrical contractor, another subcontractor, or in some cases, the Owner's Agent. Contracts are typically for renovation of existing space. Duration is typically greater than 60 days and project management is required. Work performed in existing square footage.
- **Master Contract/Commissioning Services Project:** Scope of work is defined as service mechanical projects that are executed in conjunction with an equipment project. Scope of work can include mission critical facility commissioning support, significant additional commissioning items as per contract above and beyond bringing the unit to its finished state of completion. Work is quoted by Service Team and executed under a Custom Quote SR. Refer to Additional Rules for Incentive Slide(s) for further instructions.

Executed Gross Margin - Revenue minus the greater of actual cost or latest re-estimated cost as credited to the salesperson. Once a contract transfers, only actual cost will be used.

Installation Contract Transfer - An installation contract transfers when it is 100% billed, at least 90% collected, estimated completion date has occurred and the project manager has marked it for transfer in JCI Financial System

Lines of Business (LOB) - Reference for business types: Controls, Equipment, Mechanical Service, Performance Infrastructure, HVAC Security & Fire, Commercial Service

Line of Business – Commercial Service – Includes the sales of product and labor (on L&M and PSA contract types only) where work is completed by the light commercial labor work force and includes rooftop units, VRF, split systems, unit vents, heaters and packaged units and supporting equipment and associated packaged smart controls limited to 40 tons each for buildings under two stories. Excludes buildings with chillers, applied equipment, cooling towers, boilers or Metasys® (or like building automation controls systems).

Line of Business - Controls- Includes the sale of product and labor (that make up the following contract types – project, L&M, PSA) related to the Metasys® building automation system (BAS), end devices (sensors, actuators, valves, etc.), cloud-based Metasys® applications, optimization offerings including CPO 30 from Optimum Energy, building wide systems integration, and any non-Johnson Controls BAS components.

Financial Measure Definitions (Cont.)

Line of Business – Equipment - Includes the sale of product and labor (that make up the following contract types – project, L&M, PSA) related to applied and commercial HVAC products and Performance Infrastructure, including large and small tonnage chillers, air handling units, variable refrigerant flow equipment, rooftop units, commercial unitary equipment, indoor packaged equipment, heat pumps, terminal units, rental equipment, and other equipment (Johnson Controls and non-Johnson Controls brands)

Line of Business - Mechanical Service - Includes the sale of mechanical labor to assemble a project and the following product codes: lighting systems, solar PV and thermal, utility metering systems, water efficiency systems, and water and wastewater treatment.

Line of Business – HVAC Security & Fire - Includes the sale of product and labor (that make up the following contract types – Plan and Spec, PC, Prime, New Construction, L&M, PSA) related to integrated security solutions including access control, video and other building security systems, fire detection systems, level three building wide systems integration infrastructure and mass notification for both Johnson Controls and non-Johnson Controls brand security and fire solutions.

Line of Business – Performance Infrastructure - Reserved for market teams and is typically used for performance contracts (PC) and measurement & verification (M&V) PSAs.

Major Project Sale - Marked as Major Project in the JCI Financial Systems. Typically has cost of more than \$1,000,000 of non-equipment scope that may include Controls, Security & Fire, Service and/or Other scopes of work.

Must Win PSA Renewal - Strategic Planned Service Agreement renewal that is flagged in NxGen and approved by Area Owner Sales and Service Operations managers eligible for special commission rate.

Product Type - Applied Equipment - All product related to large tonnage chillers, small tonnage chillers, custom and Performance Infrastructure air handling units, Series 100 rooftops, Floor by Floor, Flexsys, and their respective accessories [Contains cost codes under parent cost codes Z15: Applied Equipment, 990: Equipment Rebates and Z24: miscellaneous equipment]

Product Type - Commercial Equipment - All products related to Largo, Ajax, and Norman manufactured equipment, and their respective accessories [Contains cost codes under parent cost code Z16 - Commercial Equipment].

Product Type - Controls, Security & Fire, and Other - For incentive purposes Controls, Security & Fire and Other consists of all cost codes not covered under Applied Equipment and Commercial Equipment.

Product Type - VRF - Includes the sale of products related to variable refrigerant flow equipment. VRF Systems deliver refrigerant at variable rates and exact amounts to spaces that need it.

Financial Measure Definitions (Cont.)

PSA and OPS Base Renewal - PSA and OPS agreement renewal value equal to the previous year's volume and estimated margin.

PSA and OPS– Expansion - A minimum 10% increase in secured volume and secured gross margin when comparing the previous year secured volume and secured gross margin, net of cancellations and credits, to the secured volume and secured margin of the current year renewal contract including all change orders.

PSA and OPS - New Agreement - The definition of a new agreement is when JCI has not done business with the customer for at least 12 months. An agreement will also be considered as new when scope expansion and/or add of additional services doubles, at a minimum, the sell price of the current agreement. If the expansion component of the renewal agreement is less than 100% of the base agreement sell price, the agreement remains a renewal.

PSA and OPS - Renewal Agreement - If the renewal agreement has scope expansion or additional services added, this remains as a renewal agreement until the expansion component reaches 100% of the base agreement selling price (i.e. the contract doubles "or greater" in volume) at which point it becomes new.

Reconciliation - The process of adjusting the executed margin payments (positively or negatively) based upon the actual results of the project.

Sales Credit - the percent of credit applied due to a salesperson's involvement in securing a project based upon the split credit guidelines and/or the large project split credit table.

Secured Gross Margin - Secured volume less original estimated cost as reported through the JCI financial systems.

Secured Gross Margin Tier - Level of attainment used to determine commission rate for secured volume and executed margin on Installation and L&M contracts.

Inclusions:

- All incentive eligible L&M and Installation secured contracts in the fiscal year that the base contract or change order was booked.
- L&M tickets as credited will apply towards SGM Tier credit when billed and transferred.
- Large projects split-credit will apply.
- Intra/inter-company sales between Johnson Controls Business Groups (Corp, and Global Products) will apply towards SGM Tier at half the normal amount.

Exclusions:

- PSA/OPS/M&V new contracts (multi-year up to 5 years) and the expanded portion of renewals.
- PSA/OPS/M&V base renewals as credited to the salesperson.
- Secured Margin for Security and Fire domain credit splits.

Secured Volume - Secured sales price of a contract, including change orders, as reported through the JCI financial systems.

Standard Gross Margin Percent - a value reviewed and set on an annual basis to reflect the average secured margins by product type. .

Plan, Participant and Organization Structure Definitions

Plan and Participant Definitions

Participant - An individual in a designated position which has been approved for participation in writing and assigned a corresponding plan ID in Workday. Source: Workday Employee Data

Plan - The arrangement described herein.

Plan Year - The year, beginning October 1 and ending September 30.

Organizational Structure Definitions

Business Unit / Domain - The consolidated operations of the Business Unit in the BTSHFM Hyperion Financial Management Reporting Structure. A Business Unit is Fire, Security, or HVAC in BSNA.

BSNA - The consolidated operations of the Building Solutions North America regional branch and solutions offices, including any subordinate locations, satellites, sales offices, customer sites and all other operations assigned in the BTSHFM Hyperion Financial Management Reporting Structure.

Policies, Terms and Conditions

Your Participation begins the first of the month following your hire date. However, if your hire date is the first of the month, your participation begins immediately. Your incentive plan information is a part of your employee record in Workday. You will also be required to sign an employment agreement.

Terminations No payments described in this document are considered earned and payable unless the participants are in an active or paid leave of absence employment status or an unpaid FMLA leave on the first day of the month (or other relevant period) in which the incentive is earned, subject to any rules stated otherwise within this document. Any participant who is active on the first working day of the month, but terms within the same month, is eligible for commission on contracts booked up until the termination date, in accordance with plan rules. Any negative incentive balance at the time of termination is immediately due in full. However, where reconciliation conducted after a participant's last day of employment discloses that the participant was overpaid incentive, the former participant will not be subject to reimbursement of the overpaid incentive.

Personnel Transfer, Death or Retirement Upon transfer, death, or retirement, participation in the plan terminates. If an overpayment exists, it will become immediately due in full.

Buyout Upon transfer to a role not calculated through the monthly sales incentive system, death or retirement, the remaining executed margin incentive will be paid at 75% of the applicable rate of the re-estimated Gross Margin in the **Installation** backlog at the time of transfer, retirement or death. PSA Contracts and High Producer incentive is not applicable for buyout. Management has the option to review the backlog and revise contract estimates as appropriate, prior to buyouts. All transactions under this section will be reviewed and approved by the Vice President, Sales Buildings Solutions North America (BSNA).

Interpretation/Amendment- The Vice President & General Manager, Buildings Solutions North America (BSNA) reserves the right to adjust any and all incentive payments should the financial results not support the total incentive award for the incentive plan.

The Vice President & General Manager, Buildings Solutions North America (BSNA) reserves the right to waive or adjust the Secured Volume and Executed Gross Margin commission rate based upon sales secured for Federal Government ESPC and Prime Retrofit contracts, pre-approved, specific Enterprise Client accounts, and Intercompany accounts when necessary to reflect sound business practices.

Furthermore, Management reserves the right to audit and adjust all aspects concerning the financial performance and make adjustments to payments when necessary to reflect sound business practices. Mismanagement of any Incentive Compensation Plan may result in deductions from the participant's incentive compensation and/or disciplinary action up to and including termination of employment.

Interpretations as to the application of any provision of this plan shall be made at the sole discretion of the Vice President & General Manager, Buildings Solutions North America (BSNA). Approved commission adjustments and exceptions will be included only for current fiscal year incentives and/or projects. In addition, the company reserves the right to change this incentive plan for this Plan Year and any subsequent Plan Year.

This revision supersedes all previous salesperson incentive or bonus programs.

Policies, Terms & Conditions (continued)

Ethics

Sales Incentives resulting from fraud or attained as a result of unlawful and/or unethical conduct or conduct that violates Johnson Controls policies are not considered earned. Sales Incentives from fraudulent or unethical conduct will be charged back to the employee and either netted against future commission pay or returned through direct reimbursement of the funds to Johnson Controls. Further discipline, up to and including termination of employment, may be taken under violation of Johnson Controls policies

Have additional Questions?

If you have questions about this plan, please contact the Americas Compensation COE BE-NA IncentiveCompensation@jci.com.

This summary highlights only the key provisions of the plan. In the event of a discrepancy between this summary and the terms of the plan document, the terms of the plan document control. Nothing in the official plan document or in this Summary Plan Description should be interpreted to: give you any right to receive any award other than that provided for in the plan based on actual (not projected) performance; limit in any way the right of the Company or an affiliate to terminate your employment at any time; or be evidence of any agreement or understanding, expressed or implied, that you will be retained in any particular position or at any particular rate of compensation. Management has the right to amend, modify, or terminate the plan at the company's discretion with or without notice to the participants, and without consultation.

Appendix A Split Credit Guidelines

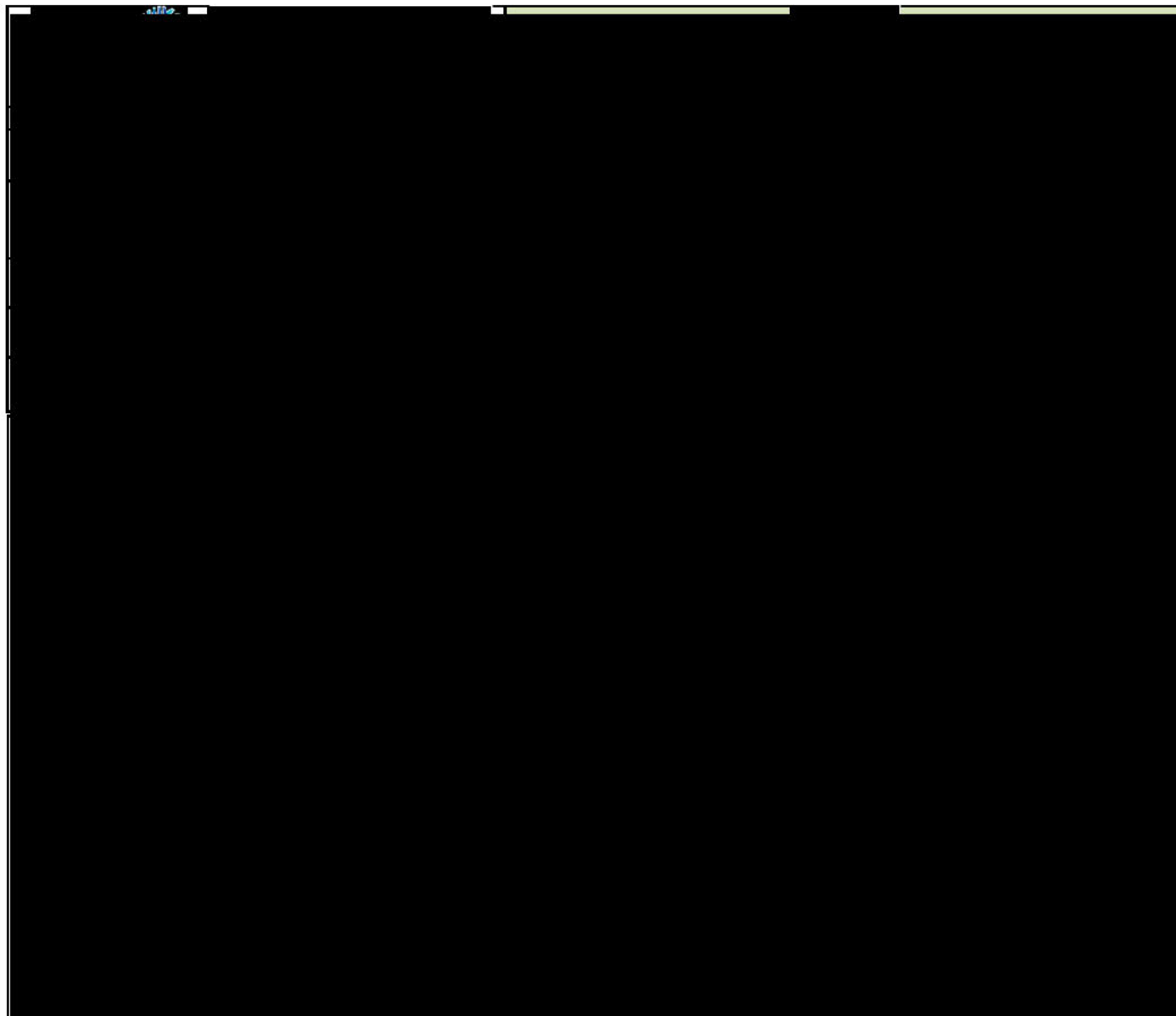


EXHIBIT B

Incentive Plan | FY 2024

HVAC Equipment Seller (SC14)
Summary Plan Description - Effective October 1, 2023

Confidential



Equipment Rep Commission Program Key Terms

- This is an annual Commission program with a monthly advance calculated and paid based on fiscal year-to-date (YTD) attainment
- This commission program has an annual commission productivity threshold
 - This threshold is estimated YTD and used to calculate the monthly advance
- Commission may be advanced once Year to Date (YTD) commission productivity exceeds the estimated YTD commission productivity threshold
- Annual commission production in excess of your annual commission productivity threshold is Earned Commission

Equipment Seller Incentive Plan Structure



Calculating Core Commission: Seller XGM Tiers

(EQ Seller – SC14)

Determine your Executed Gross Margin Rate

Equipment (Applied, Commercial, & non-JCI)	
XGM Margin %	Commission Step Rate
██████████	██████████
██████████	██████████
██████████	██████████
██████████	██████████

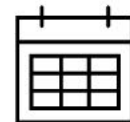
Controls, Security & Fire (CSF)	
XGM Margin %	Commission Step Rate
██████████	██████████
██████████	██████████
██████████	██████████
██████████	██████████

Key Points:

- ✓ Annual Commission with a monthly advance calculated and paid based on fiscal year-to-date (YTD) attainment
 - Any arrears balance carries forward to the next month calculations
- ✓ Annual Commission threshold must be met prior to earning commission
- ✓ Commission is calculated using the step rates a production falling within a tier is subject to the commission rate for that tier



Equipment Example Calculation:



Pay Timing:

Commission calculated with the financial close of the month and paid thereafter (typically within 45 days)

Pay Timing	
Event	Comm % Paid Margin
Booking	██████████
0-50% Cash Received	██████████
50%-75% Cash Received	██████████
Contract Transferred & 100% Cash Collected	██████████

The Impact of Margin Rate on Commission

Single Sale – Margin Rate Impact

[REDACTED]

Equipment (Applied, Commercial, & non-JCI)			
XGM Margin %	Commission Step Rate	\$ Applied	Resulting
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
		\$	[REDACTED]

[REDACTED]

Equipment (Applied, Commercial, & non-JCI)			
XGM Margin %	Commission Step Rate	\$ Applied	Resulting Commission
[REDACTED]			

How is Equipment Paid Under This Incentive Plan?



[Redacted text block]

Project Calcuation	Initial	Recalc w/ Change Order
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]

Pay Timing	
Event	Comm % Paid Margin
Booking	
0-50% Cash Received	
50%-75% Cash Received	
Contract Transferred & 100% Cash Collected	

Equipment (Applied, Commercial, & non-JCI)	
XGM Margin %	Commission Step Rate

Project Pay Timing	Jan	Feb	Mar	Apr	May	Jun	Jul
Event	[Redacted]						
Commission							
Commission Earned							
% of total comm earned							



Determine your contract type & gross margin rate type

PSA / OPS / M&V Commission Rates (Secured Margin Component)				
Gross Margin %	New	Expansion	Base Renewal	Must Win Renewal
██████	████	████	████	████
██████	██████	██████		██████

- Annual Commission with a monthly advance calculated and paid based on fiscal year-to-date (YTD) attainment
- Annual Commission threshold must be met prior to earning commission
- Any arrears balance carries forward to the next month calculations
- Eligible Service Types are:
PSA, Operations (Ops), Measurement & Verification (M&V)
- Contract types are New, Expansion, Base Renewal, or Must Win Renewals
- Target margins are defined and published by pricing and subject to change without notice
- Base renewals are only eligible for the “Must Win” renewal commission rate or the “Base Renewal” commission rate, not both



Commission calculated with the financial close of the month and paid thereafter (typically within 45 days)

The image shows a document with extensive redaction. A large black bar covers the top portion. Below it, a bulleted list is visible, with each bullet point followed by a redacted line of text. The redaction covers the majority of the page's content.



Other Incentives: Seller PSA

Service Commission

(EQ Seller – SC14)

Determining the modifier requires 3 inputs:

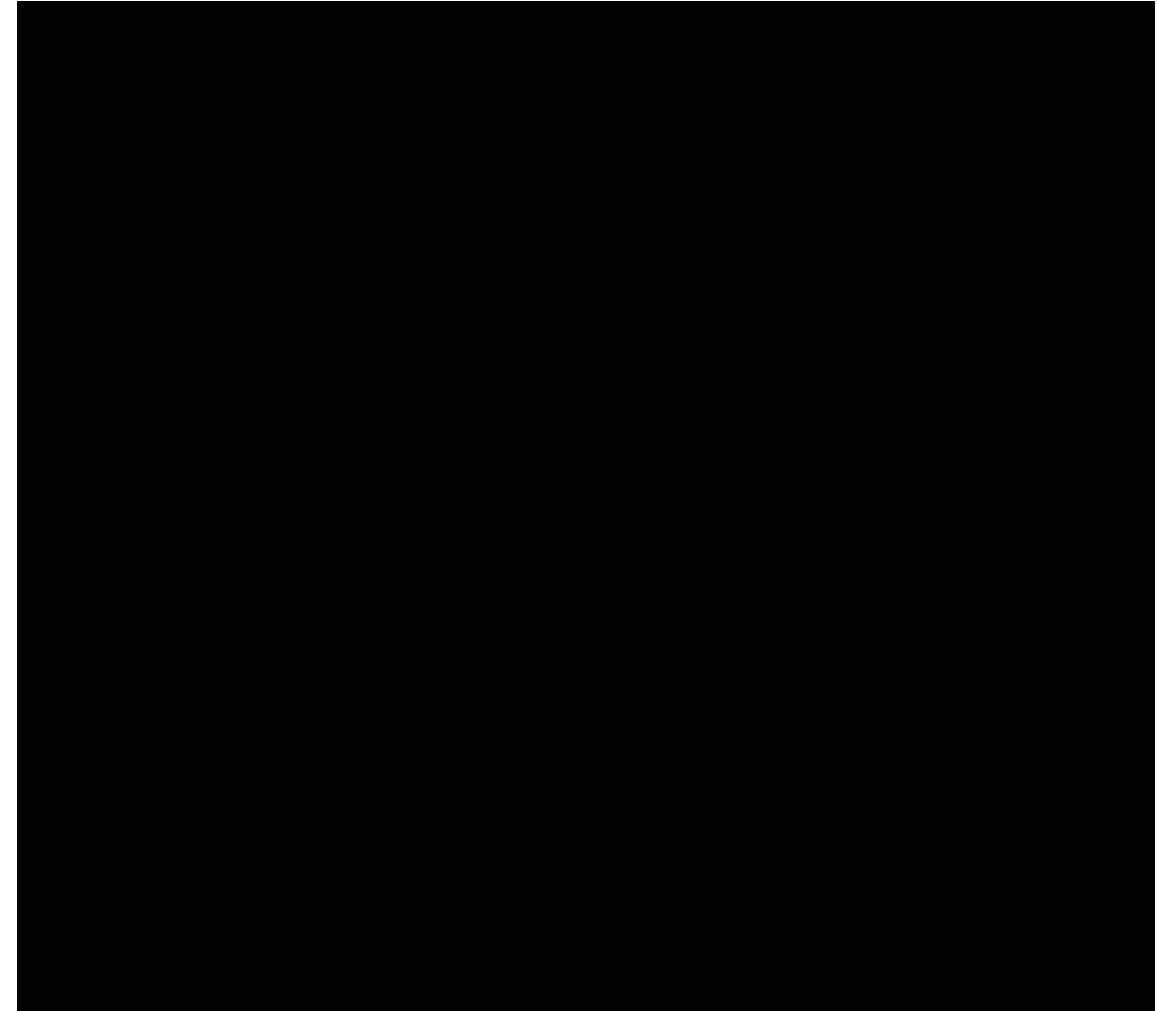
1. Contract Type: New or Renewal
2. Contract Category: Tiered or Non- Tiered
3. Contract Length: Up to 5 Years

Application Notes:

- Qualified tiered contracts must have [REDACTED] of the contract associated with a tiered service level:

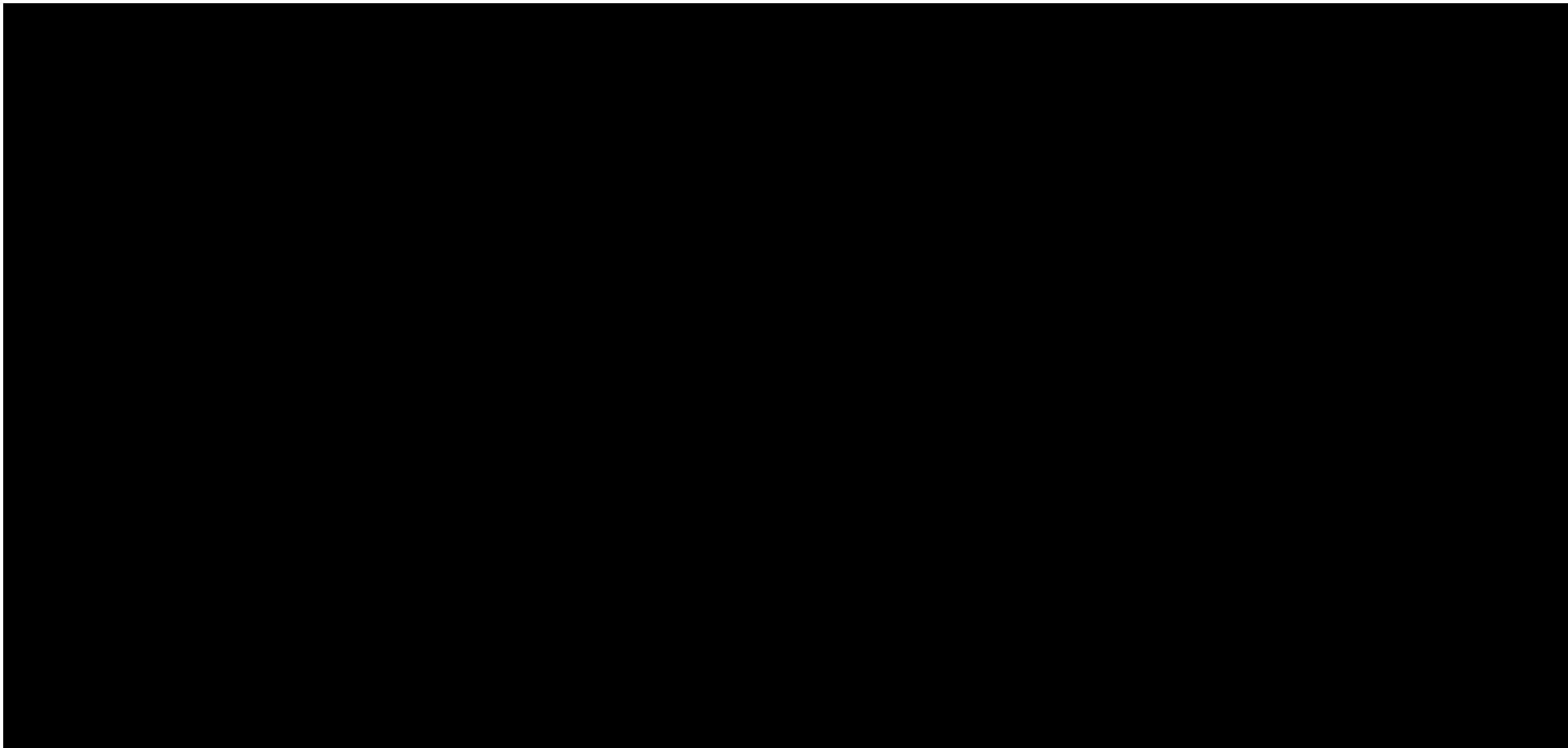
Essential	Enhanced	Expert	Essential Advisor
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- All estimates need to start by using the tiers as the basis of the quote, all digital offerings are automatically embedded in the tiered offerings
- Max creditable contract length remains [REDACTED] years
- Must be a multi-year purchase order for the life of the contract.
- Change orders will not be considered for multi-year credit if the base contract was not a multi-year contract





Calculating Commission: Service Incentive Example





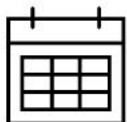
Pre-Payment Kicker

All sellers across Fire, Security and HVAC who book an eligible agreement that is **prepaid** will receive the following one-time payout:

Agreement Amount	Prepayment Amount	Cash Collected	One-time Payout
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Terms and Conditions:

- Labor & Material (L&M), Planned Service Agreements (PSA) and Performance Infrastructure agreements are not eligible
- [REDACTED]
- Seller split credit eligible
- [REDACTED]
- You must be an active employee at time of payout to receive payment
- Annual Commission with a monthly advance calculated and paid based on fiscal year-to-date (YTD) attainment
- Annual Commission threshold must be met prior to earning commission under this plan



Pay Timing:

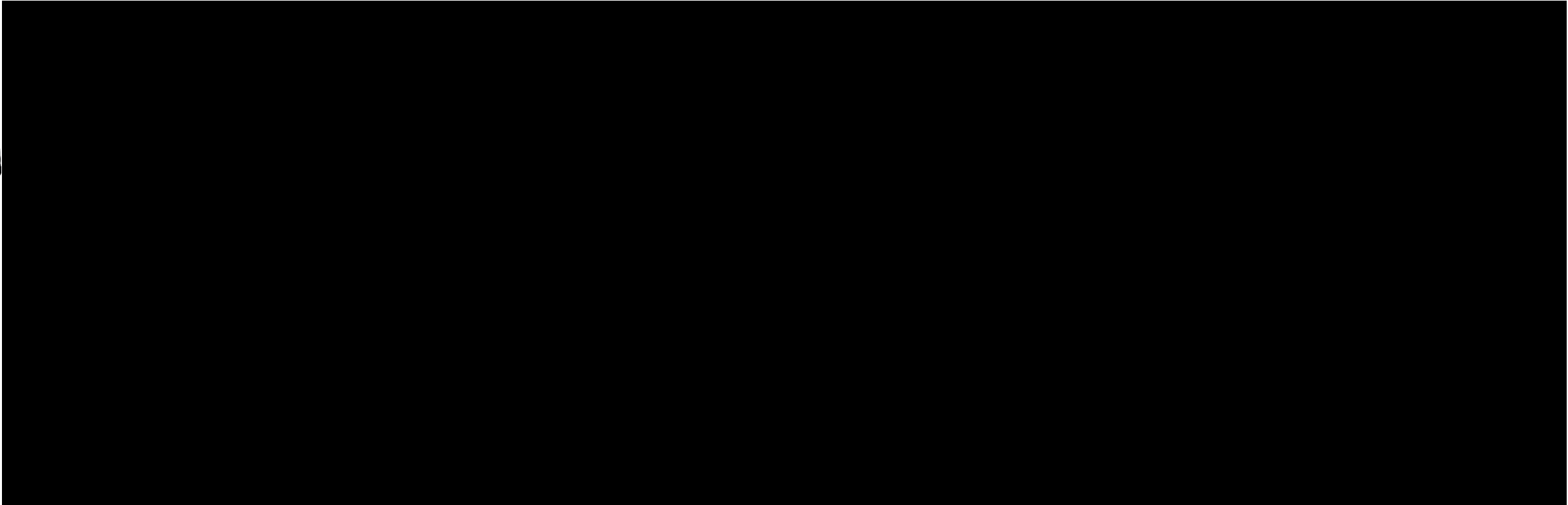
Commission calculated with the financial close of the month and paid thereafter (typically within 45 days)



Basis of Design (BOD) Bounty Incentive

(SC15 & SC14)

Bringing all the Elements Together



Bi-weekly base payments are in addition to the total monthly commission payouts shown.

Example Illustrates:

- Commission Productivity Threshold
- YTD True-up
- Commission Pay Timing
- Other Incentive Elements
- Prior Incentive Plan Backlog/Incentive Payments



Incentive Details

The power behind **your** mission



Additional Rules For Incentives

Exclusions

Contracts booked on letters of intent are excluded from any incentive calculation.

Salespersons will not earn sales credit for the following types of contracts:

- Parts and/or Material only sales (except when included with initial order for equipment and submitted prior to equipment start-up).
- Sales made to stocking accounts

International Orders

When a contract is sold by a US or Canadian Branch to a 3rd party customer in the US or Canada with a destination outside the US or Canada, the contract will be booked in CBS and paid in accordance with the commission rates in this plan.

When a contract is sold by a US or Canadian Branch to a customer outside the US or Canada, the Salesperson's employee ID must be indicated on the contract and will be booked in CBS and paid in accordance with the commission rates on in this plan.

When a contract opportunity exists in an international branch (not US or Canada), submit an ICSF Form (International Credit Split Form) directly to the Incentive Comp Group general mailbox BTS-NA-CallidusCommissions@jci.com. Any incentive on secured contracts will be granted when the profit is recognized by BE International Accounting. These contracts will pay 7% of the International gross profit dollars received converted to US or Canadian dollars according to the rates issued by JCI Corporate Treasury.

Grandfathered' Contracts

All open contracts secured prior to the effective date of this plan will not earn sales incentive under this Plan and will be paid in accordance with the plan in effect at time of booking.

Contract Cancellation

To the extent that incentive is paid on a contract that is later cancelled, de-booked, and/or has deductive change orders, a proportional amount of the incentive will be deducted from any of the salespersons future incentive payments not to exceed the total incentive paid on the contract.

Additional Rules For Incentives (Cont.)

Incentive Reconciliation, Overpayments and Advances

Please note that the Company is paying incentive, in some instances, prior to when the incentive is actually earned. Incentive on a contract is not actually earned until transfer and reconciliation. The Company reserves the right to deduct overpayments from future incentive payments. This reimbursement is referred to as a "chargeback." Chargebacks on a contract will not exceed total amount of incentive paid on that contract.

All incentives and kickers described in this plan will be reconciled and treated as earned within 45 days following the month that the contract transfers and is 100% collected. Additional incentive due or any overpayment will be paid or collected with the next pay cycle. Further payments or chargebacks may be made in future months based on any subsequent charges, credits or similar items. Negative adjustments to a salesperson's incentive will not exceed total commission paid on the contract.

Intra/Inter Company Sales

Sales made between Johnson Controls Business Groups (Corp, and Global Products) in which one Group has sold products/services to another for consumption. (Example: A salesperson sells a project within Johnson Controls). Commission rates for all intercompany sales will be one-half (1/2) the rates defined in this Salesperson Incentive Compensation Plan and sales credit must be approved by Area General Manager at the time of the booking. Sales between Groups for resale are not subject to the intercompany rate.

JCFS and JCBAS Contracts

Salespersons will be paid in accordance with the commission rates and other provisions of the HVAC Incentive Compensation Plans, based on line of business sold, for contracts booked under Johnson Controls Federal Systems (JCFS) and Johnson Controls Building Automation Systems (JCBAS). However, determination of sales credit earned and the timing of Executed Gross Margin incentive payments will be based on the current Federal Systems Salesperson Incentive Compensation Plan.

Split Credit Guidelines

When a sales team (one or more employees) books a project consisting of a single contract or a group of contracts, sales credit is earned by each contributor based on the Buildings Solutions North America (BSNA) HVAC split credit policy guideline (Appendix A) as approved by the responsible sales manager. For projects with a secured margin in excess of the large credit split guidelines, split credits to sales people are applied after the Large Project Split Credit Guideline (below)

FY24 Equipment Large Credit Split

Large Project Split Credit

Sales Credit for projects in excess of [REDACTED] Secured Gross Margin requires pre-bid approval of the Vice President, Sales. For a project consisting of a single contract or a group of contracts (for example, a new construction project is split over four contracts or a bundled offering for PC contract and PSA/OPS/M&V) whose Secured Margin is greater than [REDACTED], the Large Project Split Credit will apply per Table 4 to the margin dollars in excess of the [REDACTED] threshold. Each tier is a step, the split % shown is applied to the Margin that falls within that tier only. For example, a [REDACTED]

[REDACTED] The Area Sales Manager and Regional Sales VP are responsible to enforce the policy at booking. Large project split credit is also applied to Executed Margin incentive. The chart is interpolated to the nearest percent.

Table 4: HVAC Equipment Large Project Credit				Seller Credit Application		Split Credit
Split Tier	Secured Margin		% Applied w/in Tier	Secured Margin		Total % at Tier Max
	>	Up To		>	Up To	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

External Marketing Consultants

The use of external marketing consultants and projects where a Sponsorship investment is made to support sales opportunities will be approved at the sole discretion of the Vice President Sales. Projects that utilize these services earn a maximum [REDACTED] split credit (regardless of project size). The [REDACTED] split credit will be applied after the Large Project Split Credit, if applicable.

Additional Rules For Incentives (Cont.)

Sales Credit Splits For Performance Infrastructure Blended (Intercompany Subcontract) Projects

On all Performance Infrastructure opportunities, Sales Credit for all participating salespeople should be applied to the Performance Infrastructure Origination Contract at booking. This booking represents the total JCI booking volume including Performance Infrastructure Associated Subcontracts booked in the branch as reflected on the Performance Contracting Booking Checklist; however, the estimated margin at booking is the Performance Infrastructure Diluted Margin only.

While Performance Infrastructure Associated Subcontracts are booked in the branch, Sales Credit on these Performance Infrastructure Associated Subcontracts should be assigned to the house account. No incentive will be calculated on the Performance Infrastructure Associated Subcontract bookings.

If There Is an Associated JCLS Lighting Booking

While JCLS Subcontracts are included in the Performance Infrastructure Origination Contract volume, split credit should continue to be applied to JCLS Subcontract. For incentive purposes, margin commission on the JCLS Subcontract will be applied separately according to the Contract Margin incentive chart for Performance Contracting and Prime Retrofit.

Performance Infrastructure Blended Margin With Branch Subcontracts

The Performance Infrastructure Origination Contract Booking field must include the primary Performance Infrastructure PC contract number on the branch Subcontract Bookings. All Performance Infrastructure Associated Subcontracts booked in the branch and the Performance Infrastructure Origination Contract must be PC Contract Type 21 (Not applicable for JCLS Subcontracts.)

The Contract Margin commission chart rates will be applied based on the split credit share of the Performance Infrastructure Origination Contract multiplied by the sum of the Diluted Margin of both the Performance Infrastructure Origination Contract and each of the Performance Infrastructure Associated Subcontracts (the Blended Margin). The Contract Margin incentive will be detailed on the Performance Infrastructure Origination Contract number in the salesperson's commission statement based on the Blended Margin.

Timing of Incentive Payments On Performance Infrastructure Blended Margin

If the Performance Infrastructure Origination Contract and Performance Infrastructure Associated Subcontract Booking occurs in the same month, incentive calculation will pay on total Performance Infrastructure Blended Margin values in following month.

If the Performance Infrastructure Origination Contract and Performance Infrastructure Associated Subcontracts are booked in different periods, then Advance Payment and total Performance Infrastructure Blended Contract Margin payments will be paid incrementally as contracts are booked and will reconcile the project incentives as subcontracts are booked and tied to the Performance Infrastructure Origination Contract.

Financial Measure Definitions

Allocated Gross Margin - The calculation used to allocate gross margin of combined contracts by product type based upon the Product Type standard gross margin.

Allocated Volume - The calculation used to allocate volume of combined contracts by product type based upon the Product Type Standard gross margin.

Commission Rate - The commission rate is defined as the multiplier defined by management that is applied to each contract to determine an incentive payout.

Contract Booking - The contract is considered booked when approved by Management and uploaded into JCI Financial source systems.

Contract Type - Reference for Plan & Spec Retrofit, Plan & Spec Construction, Performance Contract, Prime Retrofit, Planned Service Agreement, Operations & Maintenance agreement or Labor & Material contract booking types

Contract Type - Unscheduled Service: Customer calls the branch or the 24x7 Call Center with a request for repair service.

- By default this books as in NxGen as an L&M/L&M Service Request (SR). The SR Type and Subtype can be modified if needed.
- When creating the SR, utilize the Potential Warranty and Potential Contract Coverage flags to indicate whether the SR needs to be reviewed for warranty or PSA contract coverage.

Contract Type - Scheduled Service: Customer has an active Planned Service Agreement (PSA) or Solutions M&V contract.

- **Standard PSA:** Customer has Scheduled Service Visits (SSVs)/Preventative Maintenance (PM) built into the contract. This is booked as a PSA Agreement in NxGen.
- **Solutions M&V:** Used to verify a performance guarantee has been met for designated units. Can be executed through a multi-year PSA or a one-time protocol. Both are booked through Oracle.
- **Renewals:** PSAs and OPS Agreements can be booked as either New or Renewal. Refer to the BE North America Planned Service Agreement Renewal Development BOS Policy for additional guidance.

Contract Type - Facility Management/Maintenance: JCI has staff full-time, on site to maintain a customer site.

- **Operations & Maintenance (O&M):** Requires one or more full-time account managers and/or technicians to be onsite every day. Work is typically focused on high-tech mechanical, electrical and general maintenance and repair services. Books as an OPS Agreement in NxGen.
- **PI/P3 Facilities Management (FM)/ Operations (Ops):** Requires a large, full-time on site staff, along with a dedicated relationship manager. Contracts are typically multi-year with broad project scopes with a heavy emphasis on management and support. Scope of work typically includes full-scale O&M and facility support services where management is provided for services such as security, landscaping, janitorial catering, etc. Books in Oracle.

Financial Measure Definitions (Cont.)

Contract Type - Material Only: Material is sold to the customer directly without installation.

- If billed at a quoted price, books in NxGen as a Material Only/Material Only Quote.
- If not billed at a quoted price, books in NxGen as a Material Only/Material Only SR.

Contract Type - Quoted Repairs: Work is proposed to the customer for one flat price. Work will be completed within 60 days and does not require project management. The customer is not expecting progress billing for the work.

- By default, this work is booked in NxGen as a L&M/Custom Quote.
- If the work will not be completed within 60 days, the work requires project management, or the customer expects progress billings, the work should be booked under the Retrofit/Project scope.

Contract Type - Prime Retrofit/Plan & Spec/Plan & Spec Construction: Work will not be completed within 60 days or requires project management, or the customer expects progress billing for the work. All work under this scope is booked in Oracle.

- **Performance Contract (PC):** Energy and/or operating efficiency retrofits within existing or new buildings that are typically negotiated directly with the owner incorporate either contractual or stipulated performance guarantees, and include financing either provided or arranged by Johnson Controls. May also include a multi-year PSA, O&M, or FM agreement that includes hours for the monitoring and management of the performance guarantee.
- **Plan & Spec (P&S) Construction:** New square footage contracts typically procured through the Plan and Spec Process. These contracts may be negotiated or bid, and the contracting method is through a general contractor, a mechanical contractor, electrical contractor, another subcontractor, or in some cases, the Owner's Agent. These jobs typically involve detailed plans and specs, the project duration is typically greater than 60 days, the use of consultants is very common, and there is a high degree of project management.
- **Prime:** Projects where the Contract/Purchase Order is direct with the Owner and JCI is the Prime Contractor. The scope of work could be defined and developed by the customer, a third party, or JCI, and is negotiated and contracted direct with the Owner or Owner's Agent. Work normally takes longer than 60 days to complete and requires project management. Work typically requires a schedule of values and progress billing. Scope of work could include the addition, replacement, or enhancement of equipment, controls, and/or fire/life safety/security systems. This work category occasionally includes blanket purchase agreements to perform work on sites where the specific scopes are not yet determined, but there is a firm commitment by the owner to a pricing structure. Work performed in existing square footage.

Financial Measure Definitions (Cont.)

Contract Type - Prime Retrofit/Plan & Spec/Plan & Spec Construction (Cont.)

- **P&S Retrofit:** Typically covers all other retrofit work within existing buildings not classified as PC or Prime. This contract type includes retrofits where consultants often develop the plans and specifications for the contracted work. The scope may be developed with an owner, but the contracting method for delivery is through a general contractor, a mechanical contractor, electrical contractor, another subcontractor, or in some cases, the Owner's Agent. Contracts are typically for renovation of existing space. Duration is typically greater than 60 days and project management is required. Work performed in existing square footage.
- **Master Contract/Commissioning Services Project:** Scope of work is defined as service mechanical projects that are executed in conjunction with an equipment project. Scope of work can include mission critical facility commissioning support, significant additional commissioning items as per contract above and beyond bringing the unit to its finished state of completion. Work is quoted by Service Team and executed under a Custom Quote SR. Refer to Additional Rules for Incentive Slide(s) for further instructions.

Executed Gross Margin - Revenue minus the greater of actual cost or latest re-estimated cost as credited to the salesperson. Once a contract transfers, only actual cost will be used.

Installation Contract Transfer - An installation contract transfers when it is 100% billed, at least 90% collected, estimated completion date has occurred and the project manager has marked it for transfer in JCI Financial System

Lines of Business (LOB) - Reference for business types: Controls, Equipment, Mechanical Service, Performance Infrastructure, HVAC Security & Fire, Commercial Service

Line of Business – Commercial Service – Includes the sales of product and labor (on L&M and PSA contract types only) where work is completed by the light commercial labor work force and includes rooftop units, VRF, split systems, unit vents, heaters and packaged units and supporting equipment and associated packaged smart controls limited to 40 tons each for buildings under two stories. Excludes buildings with chillers, applied equipment, cooling towers, boilers or Metasys® (or like building automation controls systems).

Line of Business - Controls- Includes the sale of product and labor (that make up the following contract types – project, L&M, PSA) related to the Metasys® building automation system (BAS), end devices (sensors, actuators, valves, etc.), cloud-based Metasys® applications, optimization offerings including CPO 30 from Optimum Energy, building wide systems integration, and any non-Johnson Controls BAS components.

Financial Measure Definitions (Cont.)

Line of Business – Equipment - Includes the sale of product and labor (that make up the following contract types – project, L&M, PSA) related to applied and commercial HVAC products and Performance Infrastructure, including large and small tonnage chillers, air handling units, variable refrigerant flow equipment, rooftop units, commercial unitary equipment, indoor packaged equipment, heat pumps, terminal units, rental equipment, and other equipment (Johnson Controls and non-Johnson Controls brands)

Line of Business - Mechanical Service - Includes the sale of mechanical labor to assemble a project and the following product codes: lighting systems, solar PV and thermal, utility metering systems, water efficiency systems, and water and wastewater treatment.

Line of Business – HVAC Security & Fire - Includes the sale of product and labor (that make up the following contract types – Plan and Spec, PC, Prime, New Construction, L&M, PSA) related to integrated security solutions including access control, video and other building security systems, fire detection systems, level three building wide systems integration infrastructure and mass notification for both Johnson Controls and non-Johnson Controls brand security and fire solutions.

Line of Business – Performance Infrastructure - Reserved for market teams and is typically used for performance contracts (PC) and measurement & verification (M&V) PSAs.

Major Project Sale - Marked as Major Project in the JCI Financial Systems. Typically has cost of more than [REDACTED] of non-equipment scope that may include Controls, Security & Fire, Service and/or Other scopes of work.

Must Win PSA Renewal - Strategic Planned Service Agreement renewal that is flagged in NxGen and approved by Area Owner Sales and Service Operations managers eligible for special commission rate.

Product Type - Applied Equipment - All product related to large tonnage chillers, small tonnage chillers, custom and Performance Infrastructure air handling units, Series 100 rooftops, Floor by Floor, Flexsys, and their respective accessories [Contains cost codes under parent cost codes Z15: Applied Equipment, 990: Equipment Rebates and Z24: miscellaneous equipment]

Product Type - Commercial Equipment - All products related to Largo, Ajax, and Norman manufactured equipment, and their respective accessories [Contains cost codes under parent cost code Z16 - Commercial Equipment].

Product Type - Controls, Security & Fire, and Other - For incentive purposes Controls, Security & Fire and Other consists of all cost codes not covered under Applied Equipment and Commercial Equipment.

Product Type - VRF - Includes the sale of products related to variable refrigerant flow equipment. VRF Systems deliver refrigerant at variable rates and exact amounts to spaces that need it.

Financial Measure Definitions (Cont.)

PSA and OPS Base Renewal - PSA and OPS agreement renewal value equal to the previous year's volume and estimated margin.

PSA and OPS– Expansion - A minimum 10% increase in secured volume and secured gross margin when comparing the previous year secured volume and secured gross margin, net of cancellations and credits, to the secured volume and secured margin of the current year renewal contract including all change orders.

PSA and OPS - New Agreement - The definition of a new agreement is when JCI has not done business with the customer for at least 12 months. An agreement will also be considered as new when scope expansion and/or add of additional services doubles, at a minimum, the sell price of the current agreement. If the expansion component of the renewal agreement is less than 100% of the base agreement sell price, the agreement remains a renewal.

PSA and OPS - Renewal Agreement - If the renewal agreement has scope expansion or additional services added, this remains as a renewal agreement until the expansion component reaches 100% of the base agreement selling price (i.e. the contract doubles "or greater" in volume) at which point it becomes new.

Reconciliation - The process of adjusting the executed margin payments (positively or negatively) based upon the actual results of the project.

Sales Credit - the percent of credit applied due to a salesperson's involvement in securing a project based upon the split credit guidelines and/or the large project split credit table.

Secured Gross Margin - Secured volume less original estimated cost as reported through the JCI financial systems.

Secured Volume - Secured sales price of a contract, including change orders, as reported through the JCI financial systems.

Standard Gross Margin Percent - a value reviewed and set on an annual basis to reflect the average secured margins by product type. .

Plan, Participant and Organization Structure Definitions

Plan and Participant Definitions

Participant - An individual in a designated position which has been approved for participation in writing and assigned a corresponding plan ID in Workday. Source: Workday Employee Data

Plan - The arrangement described herein.

Plan Year - The year, beginning October 1 and ending September 30.

Organizational Structure Definitions

Business Unit / Domain - The consolidated operations of the Business Unit in the BTSHFM Hyperion Financial Management Reporting Structure. A Business Unit is Fire, Security, or HVAC in BSNA.

BSNA - The consolidated operations of the Building Solutions North America regional branch and solutions offices, including any subordinate locations, satellites, sales offices, customer sites and all other operations assigned in the BTSHFM Hyperion Financial Management Reporting Structure.

Policies, Terms and Conditions

Your Participation begins the first of the month following your hire date. However, if your hire date is the first of the month, your participation begins immediately. Your incentive plan information is a part of your employee record in Workday. You will also be required to sign an employment agreement.

Terminations No payments described in this document are considered earned and payable unless the participants are in an active or paid leave of absence employment status or an unpaid FMLA leave on the first day of the month (or other relevant period) in which the incentive is earned, subject to any rules stated otherwise within this document. Any participant who is active on the first working day of the month, but terms within the same month, is eligible for commission on contracts booked up until the termination date, in accordance with plan rules. Any negative incentive balance at the time of termination is immediately due in full. However, where reconciliation conducted after a participant's last day of employment discloses that the participant was overpaid incentive, the former participant will not be subject to reimbursement of the overpaid incentive.

Personnel Transfer, Death or Retirement Upon transfer, death, or retirement, participation in the plan terminates. If an overpayment exists, it will become immediately due in full.

Buyout Upon transfer to a role not calculated through the monthly sales incentive system, death or retirement, the remaining executed margin incentive will be paid at 75% of the applicable rate of the re-estimated Gross Margin in the **Installation** backlog at the time of transfer, retirement or death. PSA Contracts are not applicable for buyout. Management has the option to review the backlog and revise contract estimates as appropriate, prior to buyouts. All transactions under this section will be reviewed and approved by the Vice President, Sales Buildings Solutions North America (BSNA).

Interpretation/Amendment- The Vice President & General Manager, Buildings Solutions North America (BSNA) reserves the right to adjust any and all incentive payments should the financial results not support the total incentive award for the incentive plan.

The Vice President & General Manager, Buildings Solutions North America (BSNA) reserves the right to waive or adjust the Secured Volume and Executed Gross Margin commission rate based upon sales secured for Federal Government ESPC and Prime Retrofit contracts, pre-approved, specific Enterprise Client accounts, and Intercompany accounts when necessary to reflect sound business practices.

Furthermore, Management reserves the right to audit and adjust all aspects concerning the financial performance and make adjustments to payments when necessary to reflect sound business practices. Mismanagement of any Incentive Compensation Plan may result in deductions from the participant's incentive compensation and/or disciplinary action up to and including termination of employment.

Interpretations as to the application of any provision of this plan shall be made at the sole discretion of the Vice President & General Manager, Buildings Solutions North America (BSNA). Approved commission adjustments and exceptions will be included only for current fiscal year incentives and/or projects. In addition, the company reserves the right to change this incentive plan for this Plan Year and any subsequent Plan Year.

This revision supersedes all previous salesperson incentive or bonus programs.

Policies, Terms & Conditions (continued)

Ethics


Sales Incentives resulting from fraud or attained as a result of unlawful and/or unethical conduct or conduct that violates Johnson Controls policies are not considered earned. Sales Incentives from fraudulent or unethical conduct will be charged back to the employee and either netted against future commission pay or returned through direct reimbursement of the funds to Johnson Controls. Further discipline, up to and including termination of employment, may be taken under violation of Johnson Controls policies

Have additional Questions?

If you have questions about this plan, please contact the your local Sales Leader or HR Representative

This summary highlights only the key provisions of the plan. In the event of a discrepancy between this summary and the terms of the plan document, the terms of the plan document control. Nothing in the official plan document or in this Summary Plan Description should be interpreted to: give you any right to receive any award other than that provided for in the plan based on actual (not projected) performance; limit in any way the right of the Company or an affiliate to terminate your employment at any time; or be evidence of any agreement or understanding, expressed or implied, that you will be retained in any particular position or at any particular rate of compensation. Management has the right to amend, modify, or terminate the plan at the company's discretion with or without notice to the participants, and without consultation.

Appendix A Split Credit Guidelines

 BSNA HVAC & Controls Split Credit Guidelines (Updated 10/2018)	DESIGN QUALITY						
	A	B	C	D	E	F	G
	Competitive Preference	Competitive Design	Neutral	JCI Design	JCI Preference	JCI Flat	Owner Direct

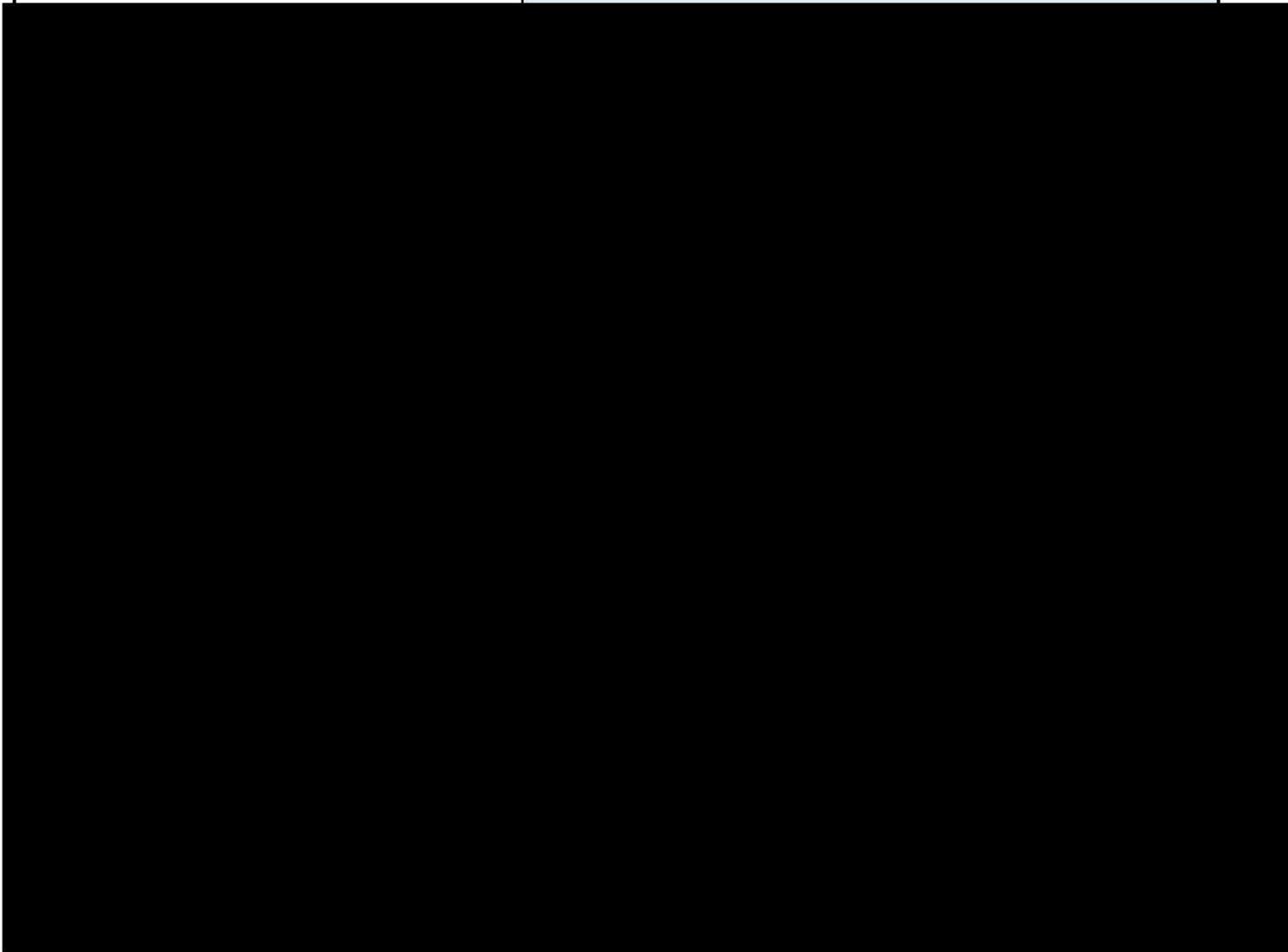


EXHIBIT C



BSNA Territory Field Rep (Hybrid)

Effective October 1, 2023

Plan IDs: B406 B407 B408

Part A: Sales Incentive Plan

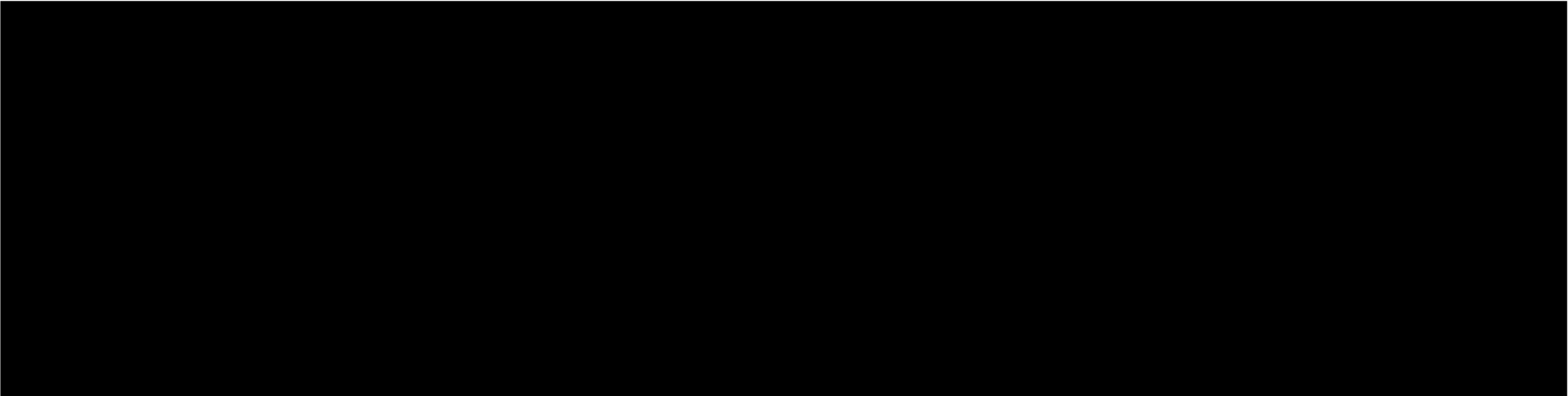
Incentive Plan | FY 2024

The power behind **your mission**



Territory/Domain Field Rep (Hybrid) Incentive Plan Details

Measures		Weight	Mechanic	Measure Level	Pay Curve					Calculation Period	Performance Period	Pay Frequency
					Threshold	Pay at Threshold	Excellence Point	Leverage (upside)	Pay Limits¹			
M1	Secured Volume \$ w/ digital / strategic credit uplift	40%	Quota-Based	Individual								
M2	Secured Margin %² (excludes recurring)	35%										
M3	Net New Recurring Service Volume (ACV) w/ multi-year & digital / strategic product uplift	25%										
Year End Modifiers	(1) Market Domain DSO											





BSNA Primary Incentive Metrics

Terminology Definitions

Measures	Plan components with assigned metrics for which incentive pay is awarded.
Weights	Amount of total target incentive allocated to each measure; weights assigned based on priority of the business.

Measures

Secured Volume \$	Secured Volume \$ is defined as the contracted value of a secured opportunity (selling price) credited to the seller. This measure is inclusive of product, install and New/Resale service volume (or Market General Manager approved renewal) and is expressed as a monetary value and obtained out of the ERP system of record.
Secured Margin %	It is defined as the difference between the contract value of a secured opportunity (selling price) and the estimated cost to deliver the project (as reviewed and accepted by an appropriate member of the operations or management team), expressed as % of the selling price. Secured Margin % excludes any margin from recurring service volume.
New Recurring Service Volume	New Service is defined as recurring Planned Service or Operations agreements with a customer where JCI has not secured business with the customer for at least 12 months (this includes expansion portion of renewals as defined by Commercial Operations). New Recurring Service Volume known as Annual Contract Value (ACV) is a sales transaction that repeats at intervals into the future; use or access to a product, technology or service.

Platform Job	Territory/Domain Field Rep (Hybrid)
Measure	Weight

M1: Secured Volume \$ Detail

Secured Volume \$	
% to Quota	Payout % (% of Target Incentive)

Measure Definition

Secured Volume \$ is defined as the contracted value of a secured opportunity (selling price) credited to the seller. This measure is inclusive of product, install and New/Resale service volume (or Market General Manager approved renewal) and is expressed as a monetary value and obtained out of the ERP system of record.

Application Details

- Measures the total percentage achieved year-to-date against your assigned year-to-date quota.
- % to quota (achievement) and Payout % are rounded to the nearest 10th percent; tables are interpolated.
- Digital / Strategic offerings are eligible for credit accelerator (see accelerator section for details).
- Incentives are calculated and paid monthly. All incentive paid month 1-11 is an advance against Earned Incentive calculated with fiscal year end (Month 12).
- Monthly payout is capped at 150%, any incentive due for year-end achievement above 150% will be calculated and paid with Month 12 incentives.

Incentive Scale



M2: Secured Margin % Detail

Secured Margin %	
Variance to Plan (% points)	Payout % (as % of Target incentive)

Component Definition

Per contract margin rate is defined as the difference between the contract value of a secured opportunity (selling price) and the estimated cost to deliver the project (as reviewed and accepted by an appropriate member of the operations or management team), expressed as % of the selling price. **Secured Margin % excludes any margin from recurring service volume.**

Application Details

- Secured Margin % measures variance to the target margin rate assigned to the sellers by taking the year-to-date margin credited to the seller as compared to the target rate assigned.
- Variance to plan (achievement) and Payout % are rounded to the nearest 10th percent; tables are interpolated.
- Secured Margin % payout eligibility is contingent on meeting secured volume YTD threshold.
- Incentives are calculated and paid monthly. All incentive paid month 1-11 is an advance against Earned Incentive calculated with fiscal year end (Month 12).
- Monthly payout is capped at 150%, any incentive due for year-end achievement above 150% will be calculated and paid with Month 12 incentives.

Incentive Scale

M3: New Recurring Service Volume (ACV) Detail

New Recurring Service Volume (ACV ¹)	
% to Quota	Payout % (% of Target Incentive)

¹ACV = annual contract value

Measure Definition

New Recurring Service Volume (ACV¹) is a sales transaction that repeats at intervals into the future; use or access to a product, technology or service.

- Unlike one-off sales, these services are predictable, stable and can / will occur at regular intervals going forward with a high degree of certainty (i.e., contract).
- The current recurring service contract types include Planned Service Agreement (PSA), Operations & Management (O&M), Facility Management (FM), Public, Private, Proprietary (P3), Measurement Verification (M&V), Performance Infrastructure (PI), Building Monitoring, Software license (i.e. SSA), Subscriber contracts, Subscription models, as a Service (aaS), Leasing and Monitoring.
- Product sales, installation sales, life cycle, and Labor & Maintenance do not qualify as recurring service.
- "New" includes "expansion" portion of renewals as defined by Commercial Operations (excludes base renewal)

Application Details

- Measures the total percentage achieved year-to-date against your assigned year-to-date quota.
- % to quota (achievement) and Payout % are rounded to the nearest 10th percent; tables are interpolated
- Multi-Year and or Digital / Strategic offerings are eligible for credit accelerators (see accelerator section for details).
- Incentives are calculated and paid monthly. All incentive paid month 1-11 is an advance against Earned Incentive calculated with fiscal year end (Month 12).
- Monthly payout is capped at 150%, any incentive due for year-end achievement above 150% will be calculated and paid with Month 12 incentives.

Incentive Scale





Credit Accelerators

Secured Volume & ACV

Terminology Definition

Credit Accelerator

Mechanic that increases credit received towards quota achievement based on individual performance. Where multiple accelerators apply each uplift is applied separately to the eligible credit (accelerator credit is excluded from any other uplift).

Credit Accelerators

Digital / Strategic Offering

Provides Secured Volume \$ quota credit uplift (adjusting the sales value) on qualifying product or service.



Multi-Year New PSA

Provides Secured Volume \$ quota credit uplift (adjusting the sales value) on qualifying multi-year new/expansion recurring service.





Credit Accelerators

Qualifying strategic & digital offerings

	Digital Offering*	Regional Availability
ENTERPRISE SaaS	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]
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	[REDACTED]	[REDACTED]

	Digital Offering*	Regional Availability
ENTERPRISE SaaS	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]
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CONNECTED SERVICES	[REDACTED]	[REDACTED]
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	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]



End of Year DSO Payout Modifier

Terminology Definition

End of Year Payout Modifier

Mechanic that allows for the potential of an increase or decrease to overall incentive earnings based on performance to a specified goal.

End of Year Modifiers

Blended Market DSO

DSO End-of-Year Payout Modifier will adjust the year-end incentive earnings based on performance against a DSO quota. DSO (Days Sales Outstanding) is average number of days it takes the company to collect the full payment for a sale. Total year-end payouts will be modified according to the schedule defined in the below table.

Application Details

- DSO targets are set by Domain and Local Market. Where a seller or Manager serves multiple markets or domains, target and attainment is the sum of the local markets and/or domains served based on leadership discretion.
- This modifier adjusts the total incentive due at fiscal year close. It is calculated by summing the total due for all measures and applying a true-up based on the DSO table shown below.
- Participants must finish the fiscal year as a participant of this plan to be eligible for the modifier.

Level of Measure: Market Domain DSO or BSNA Domain

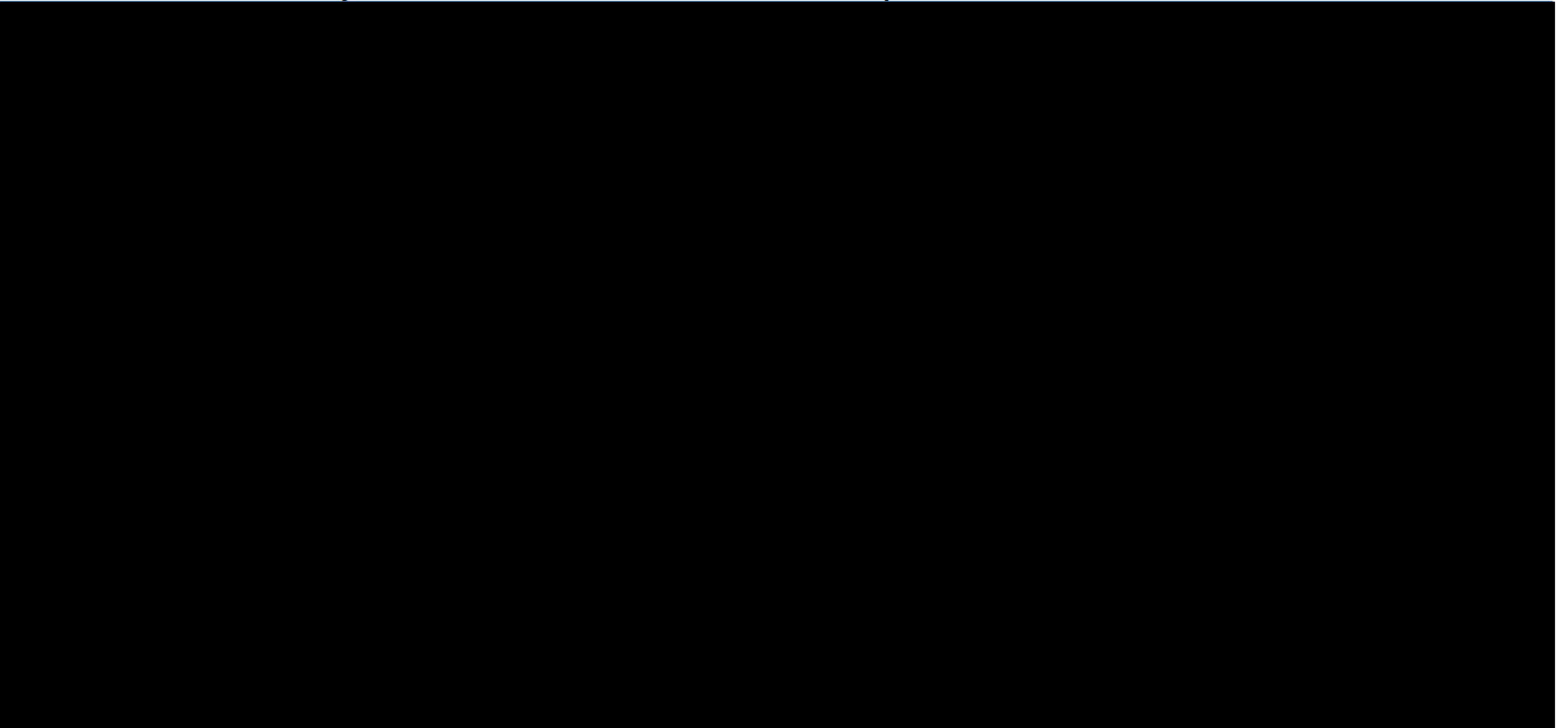
DSO Plan	Field Sales	DSO Element	Definitions
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
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[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Each DSO Element calculated in relation to rolling 3-month revenue and number of days for the same period.

Incentive Plan Calculation Example



End of Year Payout Modifier Calculation Example





Definitions

Target Incentive

Expressed as a % of base salary, this is the estimated amount of incentive earned when reaching the goals outlined in the incentive plan

Leverage (Upside) / Excellence

Expressed as a multiple of TI payable for reaching the excellence point (typically defined as the top 10% performer)

Metrics & Weights

Specific objectives assigned a discrete % of target incentive. Payouts are based on performance against goal

Mechanics & Pay Curve

Mechanisms by which a rep is measured and paid out based on his/her performance

Performance and Payout Periods

Performance period is the measurement period for compensation measures. Payout period is the frequency at which payouts are distributed for measures.

Quotas / Targets

Quota (or target) is a goal for a compensation measurement in a specified performance period. Measured as achievement / quota.

Have Additional Questions?

If you have questions about this plan, please contact the your local Sales Leader or HR Representative

This Incentive plan is non-contractual and discretionary in nature and JCI reserves the right to terminate or amend these terms and conditions including Sales Incentive Program eligibility, Incentive Targets, and individual employee payments at any time as and when JCI deems it appropriate without prior notice where applicable by law. Participation in the Plan and agreement to its terms does not form a contractual entitlement to receive incentive payment and is not part of your fixed or expected remuneration.



Global Sales Incentive Plan Terms & Conditions

Effective October 1, 2023

Part B: Sales Policies & Procedures

Incentive Plan | FY 2024

The power behind **your mission**



Policies, Terms, and Conditions (1 of 7)

I. Document Scope

- i. This FY24 guidelines document describes the terms and conditions of the sales incentive plan.
- ii. The plan year coincides with the financial year operated at Johnson Controls, starting on the 1st of October 2023 and ending on the 30th of September 2024.

II. Eligibility & Participation

- i. Eligibility for participation in the incentive plan is determined by your job responsibility level in line with set internal guidelines and requires approval from the corporate and regional leadership.
- ii. In addition, each year, participation to the incentive plan will be (re)confirmed during the annual communication process. Consequently, participation to the incentive plan in one year does not automatically guarantee participation in the next and/or subsequent year(s).
- iii. To receive a payment under the incentive plan, you need to be in service of Johnson Controls on the last day of the measurement period (as confirmed in your quota letter)

III. Base Salary

- i. Your annual base salary at the end of the measurement period is the basis for calculating your incentive target. Any other recurrent allowances or one-time premiums, whether in cash or in kind, are specifically excluded from this calculation basis.

IV. Incentive Compensation

- i. Incentive compensation is expressed as a percentage of your annual base salary. The applicable incentive target percentage is defined by your job responsibility in line with set internal guidelines and will be (re)confirmed during the annual communication process. Any change to the incentive target percentage at the individual employee level requires 1+1+HR approval.

V. Plan Measures and Weights

- i. Your incentive plan payout percentage will be determined by the achievements to targets on a combination of different measures. Quotas will be provided by your manager. Each measure has predefined weights which define incentive allocations to each measure.

VI. Incentive Payments

- i. **Unearned Incentives:** Incentives which are not due for payment because they have not met the established terms & conditions for earning incentive at an incentive plan and element level (e.g., measure payout dictates up to 150% of target incentive to be paid until fiscal year end).
- ii. **Advanced Incentives:** Preliminary incentives paid in advance to the employee for unearned incentives. Advanced incentives have not completed the final calculation process and are subject to further pay adjustments and true-ups based on the outlined terms and conditions of the final calculation process.
- iii. **Earned Incentives:** Incentives which have met the established plan and element specific conditions for earning incentive and have completed the final calculation process and either paid or to be paid.

Policies, Terms, and Conditions (2 of 7)

VII. Changes in Employment Status

i. New Hire

- a) If you have joined Johnson Controls prior to or on October 1 of the plan year, you are eligible for the full year.
- b) Guarantee structure and eligibility will vary by job. Please contact your local HR for applicable terms and schedule. All guarantees will abide by the following principles.
 - a) Pay guarantees will qualify as earned incentives and will not true-up at year-end
 - b) Quotas will ramp up during the guarantee schedule and sellers will be paid against the ramped quota
- c) If you have joined Johnson Controls in the course of the year, you are eligible to receive an incentive payment on a prorated basis (i.e., number of months of service divided by 12).
- d) Eligibility always starts on the 1st of the month. If you have joined in the course of a month, your incentive eligibility will start on the 1st of the month following your hiring date.

ii. Internal Transfers

- a) Employees, who cease to be eligible to participate in this plan due to a transfer to another position within the JCI group, will be eligible for a pro rata payment up to the date of transfer.
- b) Payment will be made on the regular payout date as long as the employee remains an employee of JCI.
- c) An employee transferring to another sales channel and into another sales position will not have their sales production credit impacted by any subsequent positive or negative changes in the projects sold before the transfer. Any exception situations will be identified and reviewed by the Regional Director, Director and Vice President of Sales.

iii. In-Year Termination

- a) Payment under the incentive plan is not granted in case of termination of employment before the final day of the measurement period, irrespective of whether the termination is initiated by Johnson Controls or by yourself. Exception is made only for those cases in which the termination is due to retirement, disability or death.

iv. Termination for Any Reason

- a) In the event an employee's employment terminates for any reason, by participating in this plan the employee agrees that JCI may undertake a True-Up and Set Off any debit balance from any termination payments due where permitted by law / union agreement.
- b) In the event an employee has insufficient termination funds available to repay JCI any debit balance the employee agrees to refund to JCI any outstanding balance prior to the date of termination or such amounts may be claimed as a debt due and payable where permitted by law / union agreement.

v. Leave of Absence

- a) Unless for reasons of legal compliance, eligible employees on unpaid leave of absence (e.g., sabbatical, unpaid leave, etc.) will not be eligible to participate during this period, provided that the total unpaid absence is at least a full month. In other words, in most cases a prorated calculation will be made based on the number of months of active service during the plan year.

Policies, Terms, and Conditions (3 of 7)

VIII. Adjustments

i. In-Year Payable Incentive (Quarterly / Monthly)

- a) The quarterly / monthly payable incentive is the incentive you actually earn, if any, after the multiplier has been applied and YTD adjustments have been made. Your quarterly / monthly payable incentive payout is the amount you are paid for your quarterly / monthly incentive after all calculations are complete, and any incentive reserve calculations are complete.

ii. True-up

- a) At the end of the fiscal year, a True-Up will take place.
- b) If at the end of year fiscal year True-Up the final incentive is found to be less than the amounts already paid, this amount may:
 - i. be carried over and taken into account in calculating any future incentive payments or determining metrics or quotas under any plan in the following fiscal year;
 - ii. be Set-Off against any amounts owing from Johnson Controls to employee in any way; or
 - iii. claimed as a debt due and payable.

iii. Pay Adjustments

- a) JCI reserves the right to adjust incentives payment calculations where permitted by law / union agreement. Adjustments will be made if results or calculations are inaccurate or in breach of Johnson Controls' accounting rules or definitions

iv. Set Off

- a) The Company is entitled to exercise a right of Set-Off to the extent that the employee is indebted, or any amounts are outstanding or owing after any True-up under this plan or any other account.

v. Sales Crediting – Split Credit

- a) From time to time a sales professional may assist another sales professional in the completion of a sale. Where the quota assignment for those sales professionals does not reflect "overlay" (or account responsibility for both parties) then a sales professional may request a credit split. Credit splits must be mutually agreed upon, in advance of the closing of the deal, by both sales professionals and their direct leaders in writing. Total quota retirement (sum of both sales professionals quota retirement/credit) may not exceed 100% of the value of the sale. Split credit can be considered for foreign production sales.

Policies, Terms, and Conditions (4 of 7)

VIII. Adjustments (Cont.)

vi. Large Volume, Large dollar or Unanticipated Deals

- a) Large volume, large dollar or unanticipated deals may require adjustments from the terms the incentive plan from time to time. Such adjustments are at the sole discretion of the Regional Sales leadership & Global Governance.
- b) Adjustments may be to seller quotas, the quantity of an order claimable as a quota credit, and/or the value or the amount of an order claimable as quota credit used to calculate an employee's qualified sales incentives. The uniqueness, complexity, size, situation and other factors may require adjustments to occur. Examples of adjustments include but are not limited to:
 - i. Economic or marketplace changes;
 - ii. Un-forecasted deals not included in an employee's fiscal year quotas or metrics; example deal is above 50% of annual quota
 - iii. Strategic deals at a reduced gross margin;
 - iv. Large dollar deal identified at the discretion of JCI.
- c) If the employee is aware of any sale, project or order which may be subject to adjustment, the employee must notify his/her respective manager of any unique circumstances that meet the criteria stated above as soon as becoming aware of such circumstances.
- d) All adjustments must be determined and approved by the Regional Sales leadership & Global Governance in conjunction with Finance.

vii. Foreign Production

- a) Orders that are generated from the headquarter entity but are installed/executed/invoiced in a different country (international orders) based on the ship to location. To complete this order, effort is required from the sales professional owning the headquarter location to configure and initiate the order, but effort is required may also be required locally to support the order processing for example actions like coordinating the install or providing local project management/oversight.
- b) International/foreign transactions would be treated as regular sales crediting to the territory the revenue is recognized in and quota responsibility is assigned. In order to facilitate sale credit (where due) for additional sales assistance in completing the order, sales credit can be split.
- c) In cases where there were two sales professionals working these transactions with the same account, the sales leaders for these sales professionals would agree to what the percentage split would be between the two reps with main criteria based on amount of effort in securing the sales.

viii. De-Booking

- a) Amounts from sales opportunities secured in the past and which are cancelled or de-booked during the plan year, will be deducted from your total annual amount irrespective of whether the cancellation or de-booking is initiated by Johnson Controls or the client.

IX. Management Discretion

- i. The company has the right to adjust any incentive previously paid to the plan participant in the event the company decides, in its sole discretion, that the contract has been procured in violation of Johnson Controls Guide to Ethical Conduct, the company's policies, cases of customer late payment which resulted in the deal being removed from our P&L, and/or any applicable written laws and the plan participant agrees to immediately refund any such incentive previously paid to the plan participant.
 - a) The company may, at its discretion, adjust incentive payments in instances of unsatisfactory performance or in other situations deemed appropriate by management.
 - b) Any and all exceptions to the compensation plans are considered to be out of guidelines and must have appropriate approvals.

Policies, Terms, and Conditions (5 of 7)

X. Payment Terms

- i. JCI will, in its sole discretion and on behalf of the company, determine all plan matters with respect to all participants. Each plan may be amended, modified or terminated by JCI in its sole discretion where permitted by law / union agreement. Payment of incentive will be determined by JCI at the completion of each JCI financial month/quarter. Payment will be made in accordance with established local pay dates (available upon request) to the employee's nominated bank account and payment is subject to the locally applicable social security and income tax withholdings
- ii. **Auditing**
 - a) An audit may be performed on a monthly basis to review elements of this incentive plan.
 - b) It is the employee's responsibility to ensure that all sales are correctly declared in the local reporting system prior to the quarter / month close. If a previous incentive payment has been made in error, then the company reserves the right to withhold future payments up to the value of the overpayment. Any fraudulent claim in the local reporting system will result in disciplinary action which may include termination of employment. Any fraudulent claims will be dealt with in accordance with JCI policy including JCI's rights to pursue recovery of such funds and any associated costs.
- iii. **Pro-rata Policy**
 - a) Target incentives (TI) will be prorated on a full quarter / month basis only. Should a TI% change within a quarter / month the TI used for that quarter / month will be that which was effective for the majority of the quarter / month. Partial quarters / months are not permitted.
- iv. **Taxation**
 - a) All payments are subject to taxation legislation. JCI will deduct all locally applicable social security and income tax withholdings
- v. **Inducement**
 - a) A sales professional may not assign or guide any part of his/her incentive payment to any agent, customer, customer representative, or other person to assist in making a sale.
- vi. **Standard Pricing**
 - a) Any standard products and services must be sold within the approved pricing guidelines or with specific approval from your line manager. The specific margin targets for different products and services in your business are the responsibility of the business unit manager and may vary to fit the needs of the business.
 - b) Management reserves the right to adjust incentives based on variations to standard selling prices or agreement terms. Work that is sold outside normal prices (or established Delegation of Authority) due to strategic positioning is subject to incentive adjustment by the company.

Policies, Terms, and Conditions (6 of 7)

XV. Terms and Conditions

- i. This incentive plan is non-contractual and discretionary in nature and JCI reserves the right to terminate or amend these terms and conditions including sales incentive program eligibility, incentive targets, and individual employee payments at any time as and when JCI deems it appropriate without prior notice where permitted by law / union agreement. Participation in the plan and agreement to its terms does not form a contractual entitlement to receive incentive payment and is not part of your fixed or expected remuneration.
- ii. **Dispute Resolution**
 - a) Any disputes involving payment under this program will be handled using the following escalation procedure.
 - b) Sales professional's must notify their immediate leader or HR business partner of any matter of dispute. At the manager's discretion, any matter may be raised to the next level of the organization. Additional levels of the organization may be involved to resolve the dispute as needed. Any decision regarding a dispute made by the Global Governance Committee shall be considered final where permitted by law / union agreement.
- iii. **Compliance with Terms of Employment**
 - a) If you are not compliant with all of the terms of your employment contract, or any Johnson Controls policies or procedures, Johnson Controls reserves the right to limit or withhold your entitlement to any incentive in its sole discretion.
- iv. **Payment Modalities**
 - a) Payments will be made according to each measure's pay period defined in the plan document.
 - b) Payments will be made based on published local payroll dates typically within 90 days

Policies, Terms, and Conditions (7 of 7)

XI. Incentive Payments

i. Monthly Payments

- a) Incentive payments are made monthly with a monthly cap at 150% payout for Month 1 – Month 11 YTD. Any incentive balances owed as a result of the monthly cap will be paid with month 12 True-Up. Modifiers will be applied with month 12 true up. Month 12 payments will be made after the close of the fiscal year in accordance with local payroll. Participants must be actively employed, or on an approved leave of absence, the last business day of the month in order to be incentive eligible for the month.

ii. Quarterly Payments

- a) Incentive payments are made quarterly with a quarterly cap at 150% payout for Q1-Q3 FYTD. Any incentive balances owed as a result of the quarterly cap will be paid with Q4 True-Up. Modifiers will be applied with Q4 true up made after the close of the fiscal year in accordance with local payroll. Participants must be actively employed, or on an approved leave of absence, the last business day of the quarter in order to be incentive eligible for the quarter.

iii. Annual Payments

- a) Incentive Payments are made annually. You can expect to receive payment after the close of the fiscal year in accordance with local payroll. You must be active or on an approved leave of absence on the last working day of the plan year.

XII. Payment Schedule

- i. The payment schedule cannot change without Total Rewards COE approval. Please refer to local payment schedule in the regional portion of this document.

XIII. Payment Approvals

- i. The general approval principle for an incentive payment is 1+1+HR. Please refer to the Delegation-of-Authority guidelines for further clarification of the applicable levels.
- ii. In case the incentive calculations are not centrally managed, please note that an overall payment sheet at country level must be submitted to the Total Rewards COE for final approval. It is the responsibility of country HR to ensure this takes place before any payments are communicated either verbally or in writing to the eligible employees.

XIV. FX Rates/Foreign Exchange Principles

- i. Target incentives are established in local currency and actual incentives earned are paid in local currency
- ii. All quota credit is applied in the currency in which the quota was provided

EXHIBIT D



BSNA Install Rep

Effective October 1, 2023

Plan IDs: B404 B405

Part A: Sales Incentive Plan

Incentive Plan | FY 2024

The power behind **your** mission

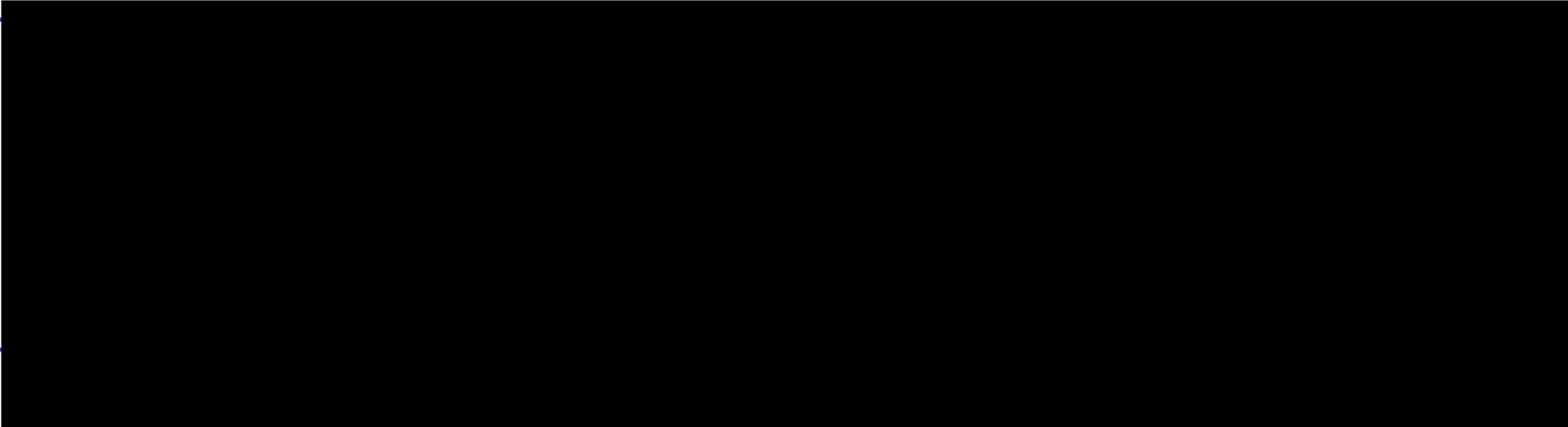


Install Rep Incentive Plan Details

Measures		Weight	Mechanic	Measure Level	Pay Curve					Calculation Period	Performance Period	Pay Frequency
					Threshold	Pay at Threshold	Excellence Point	Leverage (upside)	Pay Limits¹			
M1	Secured Volume \$ w/ digital & strategic credit uplift	65%	Quota-Based	Individual	█	█	█	█	█	█	█	█
M2	Secured Margin %² (excludes recurring)	35%			█ █	█	█ █		█			
Year End Modifiers		(1) Market Domain DSO										

█

█





BSNA Primary Incentive Metrics

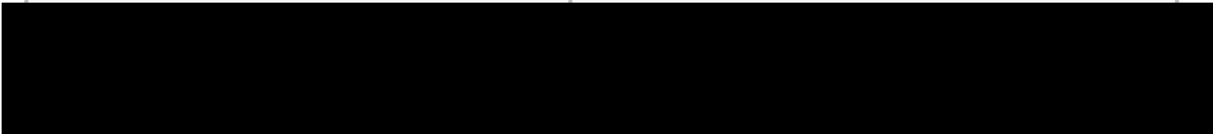
Terminology Definitions

Measures	Plan components with assigned metrics for which incentive pay is awarded.
Weights	Amount of total target incentive allocated to each measure; weights assigned based on priority of the business.

Measures

Secured Volume \$	Secured Volume \$ is defined as the contracted value of a secured opportunity (selling price) credited to the seller. This measure is inclusive of product, install and New/Resale service volume (or Market General Manager approved renewal) and is expressed as a monetary value and obtained out of the ERP system of record.
Secured Margin %	It is defined as the difference between the contract value of a secured opportunity (selling price) and the estimated cost to deliver the project (as reviewed and accepted by an appropriate member of the operations or management team), expressed as % of the selling price. Secured Margin % excludes any margin from recurring service volume.

Platform Job	Install Rep
Measure	Weight



M1: Secured Volume \$ Detail

Secured Volume \$	
% to Quota	Payout % (% of Target Incentive)
██████	██████████
██████	██████
██████	██████
██████	██████
██████	██████
██████	██████
██████	██████
██████	██████
██████	██████
██████	██████

Measure Definition

Secured Volume \$ is defined as the contracted value of a secured opportunity (selling price) credited to the seller. This measure is inclusive of product, install and New/Resale service volume (or Market General Manager approved renewal) and is expressed as a monetary value and obtained out of the ERP system of record.

Application Details

- Measures the total percentage achieved year-to-date against your assigned year-to-date quota.
- % to quota (achievement) and Payout % are rounded to the nearest 10th percent; tables are interpolated.
- Digital / Strategic offerings are eligible for credit accelerator (see accelerator section for details).
- Incentives are calculated and paid monthly. All incentive paid month 1-11 is an advance against Earned Incentive calculated with fiscal year end (Month 12).
- Monthly payout is capped at 150%, any incentive due for year-end achievement above 150% will be calculated and paid with Month 12 incentives.

Incentive Scale



[illegible]

Per contract margin rate is defined as the difference between the contract value of a secured opportunity (selling price) and the estimated cost to deliver the project (as reviewed and accepted by an appropriate member of the operations or management team), expressed as % of the selling price. **Secured Margin % excludes any margin from recurring service volume.**

- Secured Margin % measures variance to the target margin rate assigned to the sellers by taking the year-to-date margin credited to the seller as compared to the target rate assigned.
- Variance to plan (achievement) and Payout % are rounded to the nearest 10th percent; tables are interpolated.
- Secured Margin % payout eligibility is contingent on meeting secured volume YTD threshold.
- Incentives are calculated and paid monthly. All incentive paid month 1-11 is an advance against Earned Incentive calculated with fiscal year end (Month 12).
- Monthly payout is capped at 150%, any incentive due for year-end achievement above 150% will be calculated and paid with Month 12 incentives.



Credit Accelerators

Secured Volume

Terminology Definition

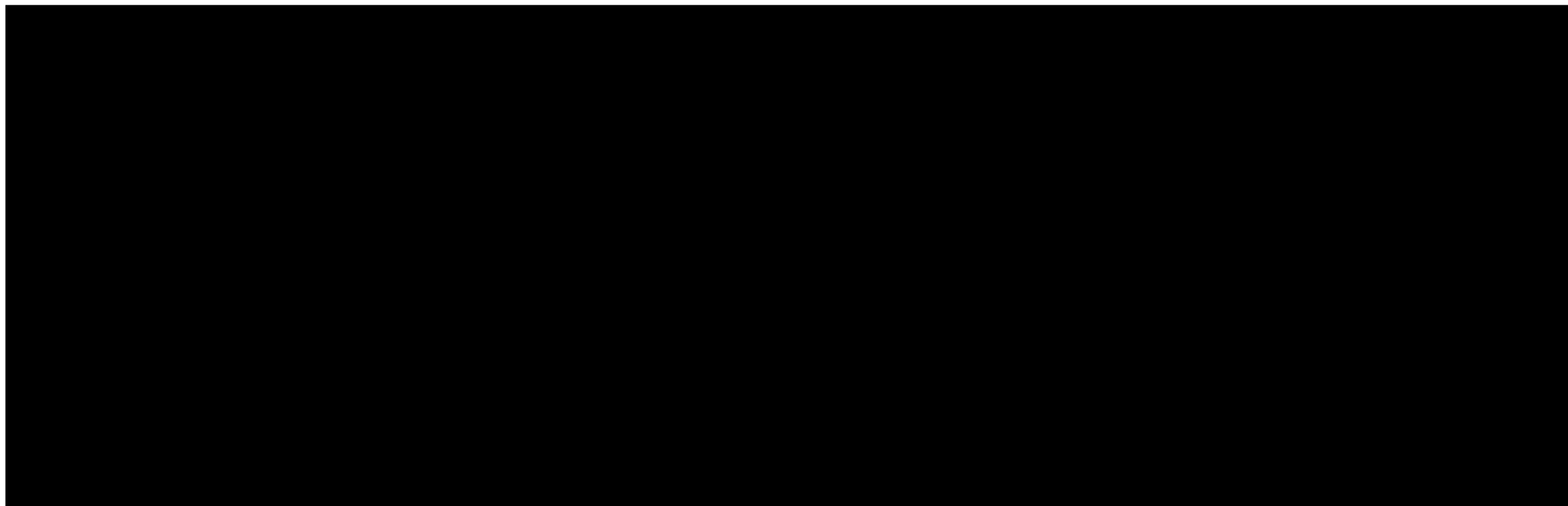
Credit Accelerator

Mechanic that increases credit received towards quota achievement based on individual performance.

Credit Accelerators

Digital / Strategic Offering

Provides Secured Volume \$ quota credit uplift (adjusting the sales value) on qualifying product or service.





Credit Accelerators

Qualifying strategic & digital offerings

	Digital Offering*	Regional Availability
ENTERPRISE SaaS	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]
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	[REDACTED]	[REDACTED]

	Digital Offering*	Regional Availability
ENTERPRISE SaaS	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]
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End of Year DSO Payout Modifier

Terminology Definition

End of Year Payout Modifier

Mechanic that allows for the potential of an increase or decrease to overall incentive earnings based on performance to a specified goal.

End of Year Modifiers

Blended Market DSO

DSO End-of-Year Payout Modifier will adjust the year-end incentive earnings based on performance against a DSO quota. DSO (Days Sales Outstanding) is average number of days it takes the company to collect the full payment for a sale. Total year-end payouts will be modified according to the schedule defined in the below table.

Application Details

- DSO targets are set by Domain and Local Market. Where a seller or Manager serves multiple markets or domains, target and attainment is the sum of the local markets and/or domains served based on leadership discretion.
- This modifier adjusts the total incentive due at fiscal year close. It is calculated by summing the total due for all measures and applying a true-up based on the DSO table shown below.
- Participants must finish the fiscal year as a participant of this plan to be eligible for the modifier.

Level of Measure: Market Domain DSO or BSNA Domain

DSO Plan	Field Sales	DSO Element	Definitions
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Each DSO Element calculated in relation to rolling 3-month revenue and number of days for the same period.

Incentive Plan Calculation Example



End of Year Payout Modifier Calculation Detail



Definitions

Target Incentive

Expressed as a % of base salary, this is the estimated amount of incentive earned when reaching the goals outlined in the incentive plan

Leverage (Upside) / Excellence

Expressed as a multiple of TI payable for reaching the excellence point (typically defined as the top 10% performer)

Metrics & Weights

Specific objectives assigned a discrete % of target incentive. Payouts are based on performance against goal

Mechanics & Pay Curve

Mechanisms by which a rep is measured and paid out based on his/her performance

Performance and Payout Periods

Performance period is the measurement period for compensation measures. Payout period is the frequency at which payouts are distributed for measures.

Quotas / Targets

Quota (or target) is a goal for a compensation measurement in a specified performance period. Measured as achievement / quota.

Have Additional Questions?

If you have questions about this plan, please contact the your local Sales Leader or HR Representative

This Incentive plan is non-contractual and discretionary in nature and JCI reserves the right to terminate or amend these terms and conditions including Sales Incentive Program eligibility, Incentive Targets, and individual employee payments at any time as and when JCI deems it appropriate without prior notice where applicable by law. Participation in the Plan and agreement to its terms does not form a contractual entitlement to receive incentive payment and is not part of your fixed or expected remuneration.

Global Sales Incentive Plan Terms & Conditions

Effective October 1, 2023

Part B: Sales Policies & Procedures

Incentive Plan | FY 2024

The power behind **your mission**



Policies, Terms, and Conditions (1 of 7)

I. Document Scope

- i. This FY24 guidelines document describes the terms and conditions of the sales incentive plan.
- ii. The plan year coincides with the financial year operated at Johnson Controls, starting on the 1st of October 2023 and ending on the 30th of September 2024.

II. Eligibility & Participation

- i. Eligibility for participation in the incentive plan is determined by your job responsibility level in line with set internal guidelines and requires approval from the corporate and regional leadership.
- ii. In addition, each year, participation to the incentive plan will be (re)confirmed during the annual communication process. Consequently, participation to the incentive plan in one year does not automatically guarantee participation in the next and/or subsequent year(s).
- iii. To receive a payment under the incentive plan, you need to be in service of Johnson Controls on the last day of the measurement period (as confirmed in your quota letter)

III. Base Salary

- i. Your annual base salary at the end of the measurement period is the basis for calculating your incentive target. Any other recurrent allowances or one-time premiums, whether in cash or in kind, are specifically excluded from this calculation basis.

IV. Incentive Compensation

- i. Incentive compensation is expressed as a percentage of your annual base salary. The applicable incentive target percentage is defined by your job responsibility in line with set internal guidelines and will be (re)confirmed during the annual communication process. Any change to the incentive target percentage at the individual employee level requires 1+1+HR approval.

V. Plan Measures and Weights

- i. Your incentive plan payout percentage will be determined by the achievements to targets on a combination of different measures. Quotas will be provided by your manager. Each measure has predefined weights which define incentive allocations to each measure.

VI. Incentive Payments

- i. **Unearned Incentives:** Incentives which are not due for payment because they have not met the established terms & conditions for earning incentive at an incentive plan and element level (e.g., measure payout dictates up to 150% of target incentive to be paid until fiscal year end).
- ii. **Advanced Incentives:** Preliminary incentives paid in advance to the employee for unearned incentives. Advanced incentives have not completed the final calculation process and are subject to further pay adjustments and true-ups based on the outlined terms and conditions of the final calculation process.
- iii. **Earned Incentives:** Incentives which have met the established plan and element specific conditions for earning incentive and have completed the final calculation process and either paid or to be paid.

Policies, Terms, and Conditions (2 of 7)

VII. Changes in Employment Status

i. New Hire

- a) If you have joined Johnson Controls prior to or on October 1 of the plan year, you are eligible for the full year.
- b) Guarantee structure and eligibility will vary by job. Please contact your local HR for applicable terms and schedule. All guarantees will abide by the following principles.
 - a) Pay guarantees will qualify as earned incentives and will not true-up at year-end
 - b) Quotas will ramp up during the guarantee schedule and sellers will be paid against the ramped quota
- c) If you have joined Johnson Controls in the course of the year, you are eligible to receive an incentive payment on a prorated basis (i.e., number of months of service divided by 12).
- d) Eligibility always starts on the 1st of the month. If you have joined in the course of a month, your incentive eligibility will start on the 1st of the month following your hiring date.

ii. Internal Transfers

- a) Employees, who cease to be eligible to participate in this plan due to a transfer to another position within the JCI group, will be eligible for a pro rata payment up to the date of transfer.
- b) Payment will be made on the regular payout date as long as the employee remains an employee of JCI.
- c) An employee transferring to another sales channel and into another sales position will not have their sales production credit impacted by any subsequent positive or negative changes in the projects sold before the transfer. Any exception situations will be identified and reviewed by the Regional Director, Director and Vice President of Sales.

iii. In-Year Termination

- a) Payment under the incentive plan is not granted in case of termination of employment before the final day of the measurement period, irrespective of whether the termination is initiated by Johnson Controls or by yourself. Exception is made only for those cases in which the termination is due to retirement, disability or death.

iv. Termination for Any Reason

- a) In the event an employee's employment terminates for any reason, by participating in this plan the employee agrees that JCI may undertake a True-Up and Set Off any debit balance from any termination payments due where permitted by law / union agreement.
- b) In the event an employee has insufficient termination funds available to repay JCI any debit balance the employee agrees to refund to JCI any outstanding balance prior to the date of termination or such amounts may be claimed as a debt due and payable where permitted by law / union agreement.

v. Leave of Absence

- a) Unless for reasons of legal compliance, eligible employees on unpaid leave of absence (e.g., sabbatical, unpaid leave, etc.) will not be eligible to participate during this period, provided that the total unpaid absence is at least a full month. In other words, in most cases a prorated calculation will be made based on the number of months of active service during the plan year.

Policies, Terms, and Conditions (3 of 7)

VIII. Adjustments

i. In-Year Payable Incentive (Quarterly / Monthly)

- a) The quarterly / monthly payable incentive is the incentive you actually earn, if any, after the multiplier has been applied and YTD adjustments have been made. Your quarterly / monthly payable incentive payout is the amount you are paid for your quarterly / monthly incentive after all calculations are complete, and any incentive reserve calculations are complete.

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Policies, Terms, and Conditions (4 of 7)

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Policies, Terms, and Conditions (5 of 7)

X. Payment Terms

- i. JCI will, in its sole discretion and on behalf of the company, determine all plan matters with respect to all participants. Each plan may be amended, modified or terminated by JCI in its sole discretion where permitted by law / union agreement. Payment of incentive will be determined by JCI at the completion of each JCI financial month/quarter. Payment will be made in accordance with established local pay dates (available upon request) to the employee's nominated bank account and payment is subject to the locally applicable social security and income tax withholdings
- ii. **Auditing**
 - a) An audit may be performed on a monthly basis to review elements of this incentive plan.
 - b) It is the employee's responsibility to ensure that all sales are correctly declared in the local reporting system prior to the quarter / month close. If a previous incentive payment has been made in error, then the company reserves the right to withhold future payments up to the value of the overpayment. Any fraudulent claim in the local reporting system will result in disciplinary action which may include termination of employment. Any fraudulent claims will be dealt with in accordance with JCI policy including JCI's rights to pursue recovery of such funds and any associated costs.
- iii. **Pro-rata Policy**
 - a) Target incentives (TI) will be prorated on a full quarter / month basis only. Should a TI% change within a quarter / month the TI used for that quarter / month will be that which was effective for the majority of the quarter / month. Partial quarters / months are not permitted.
- iv. **Taxation**
 - a) All payments are subject to taxation legislation. JCI will deduct all locally applicable social security and income tax withholdings
- v. **Inducement**
 - a) A sales professional may not assign or guide any part of his/her incentive payment to any agent, customer, customer representative, or other person to assist in making a sale.
- vi. **Standard Pricing**
 - a) Any standard products and services must be sold within the approved pricing guidelines or with specific approval from your line manager. The specific margin targets for different products and services in your business are the responsibility of the business unit manager and may vary to fit the needs of the business.
 - b) Management reserves the right to adjust incentives based on variations to standard selling prices or agreement terms. Work that is sold outside normal prices (or established Delegation of Authority) due to strategic positioning is subject to incentive adjustment by the company.

Policies, Terms, and Conditions (6 of 7)

XV. Terms and Conditions

- i. This incentive plan is non-contractual and discretionary in nature and JCI reserves the right to terminate or amend these terms and conditions including sales incentive program eligibility, incentive targets, and individual employee payments at any time as and when JCI deems it appropriate without prior notice where permitted by law / union agreement. Participation in the plan and agreement to its terms does not form a contractual entitlement to receive incentive payment and is not part of your fixed or expected remuneration.
- ii. **Dispute Resolution**
 - a) Any disputes involving payment under this program will be handled using the following escalation procedure.
 - b) Sales professional's must notify their immediate leader or HR business partner of any matter of dispute. At the manager's discretion, any matter may be raised to the next level of the organization. Additional levels of the organization may be involved to resolve the dispute as needed. Any decision regarding a dispute made by the Global Governance Committee shall be considered final where permitted by law / union agreement.
- iii. **Compliance with Terms of Employment**
 - a) If you are not compliant with all of the terms of your employment contract, or any Johnson Controls policies or procedures, Johnson Controls reserves the right to limit or withhold your entitlement to any incentive in its sole discretion.
- iv. **Payment Modalities**
 - a) Payments will be made according to each measure's pay period defined in the plan document.
 - b) Payments will be made based on published local payroll dates typically within 90 days

Policies, Terms, and Conditions (7 of 7)

XI. Incentive Payments

i. Monthly Payments

- a) Incentive payments are made monthly with a monthly cap at 150% payout for Month 1 – Month 11 YTD. Any incentive balances owed as a result of the monthly cap will be paid with month 12 True-Up. Modifiers will be applied with month 12 true up. Month 12 payments will be made after the close of the fiscal year in accordance with local payroll. Participants must be actively employed, or on an approved leave of absence, the last business day of the month in order to be incentive eligible for the month.

ii. Quarterly Payments

- a) Incentive payments are made quarterly with a quarterly cap at 150% payout for Q1-Q3 FYTD. Any incentive balances owed as a result of the quarterly cap will be paid with Q4 True-Up. Modifiers will be applied with Q4 true up made after the close of the fiscal year in accordance with local payroll. Participants must be actively employed, or on an approved leave of absence, the last business day of the quarter in order to be incentive eligible for the quarter.

iii. Annual Payments

- a) Incentive Payments are made annually. You can expect to receive payment after the close of the fiscal year in accordance with local payroll. You must be active or on an approved leave of absence on the last working day of the plan year.

XII. Payment Schedule

- i. The payment schedule cannot change without Total Rewards COE approval. Please refer to local payment schedule in the regional portion of this document.

XIII. Payment Approvals

- i. The general approval principle for an incentive payment is 1+1+HR. Please refer to the Delegation-of-Authority guidelines for further clarification of the applicable levels.
- ii. In case the incentive calculations are not centrally managed, please note that an overall payment sheet at country level must be submitted to the Total Rewards COE for final approval. It is the responsibility of country HR to ensure this takes place before any payments are communicated either verbally or in writing to the eligible employees.

XIV. FX Rates/Foreign Exchange Principles

- i. Target incentives are established in local currency and actual incentives earned are paid in local currency
- ii. All quota credit is applied in the currency in which the quota was provided

EXHIBIT E



Overview

Why are we making changes to the sales incentive plan?

Many of our sales incentive plans have become overly complex and have misalignments to our commercial objectives. The goal of the FY24 sales plan is to introduce a far simplified plan design that focuses on our core commercial objectives and links to our financial plan. The overarching goal of the FY24 sales incentive plan is to allow us to accelerate growth and reward our sales organization accordingly for doing so.

When do these changes take place?

The changes to the plan are effective October 1, 2023.

What are “platform jobs” and why do they matter?

A “platform job” is simply a grouping of sellers or sales managers that are executing a similar job function and sales motion. These groupings are then used to align individuals to the correct sales incentive plan, support career pathing, and enable other talent and pay related processes. Your platform job has no impact on your actual job duties and/or job title. This is simply a back-end job grouping, similar to a “job family” or “job category” you have seen before.

What are the benefits of the quota-based structure?

Having a quota provides you with a direct goal to reach and outlines the pay you will receive when reaching that goal. In addition, there is unlimited earning opportunity for sellers exceeding their annual quotas. Quotas are tailored based on our financial objectives, your historical sales, sales opportunity, and other factors to ensure equitable quota achievement opportunity.

What does total target compensation mean?

Total target compensation = base salary + target incentive; target incentive = the amount you will earn at exactly 100% of quota achievement for each plan measure. Your total target incentive is weighted across each plan measure.

Why does target incentive matter?

For those currently paid under a commission structure, you earn a base salary + a % of your sales as commission. Under the FY24 plan design, you will still earn a base salary, but commission payouts will be replaced with incentive earnings that are based on a % of your target incentive being paid for each % of quota achievement. For example, if my target incentive is \$30K and I achieve 100% of quota, I will earn \$30K.

How were total target compensation values determined?

Johnson Controls utilizes a defined sales pay range structure today that is an input to determining your current base salary and your commission rates. For FY24, this same pay range structure is utilized to determine your FY24 base salary and target incentive amount. Some of you will have changes to your base salary due to changes to the target pay mix (ratio of base salary to variable pay) for your role. These changes will be positive or neutral – i.e., no base salaries are being reduced. Your FY24 target incentive is a function of the defined pay range for your role and other relevant factors – e.g., performance rating, historical sales, etc.

Who do I go to if I still have questions about my plan?

Please reach out to your direct manager first. If they are unable to address your questions, your reporting manager will coordinate with Regional Sales Leaders and Human Resources as needed.

Sales Incentive

What happens to the current sales incentive plan?

This is full sales incentive plan redesign. All elements of the FY23 (and previous) plan designs are now sunset and replaced by the FY24 sales incentive plan.



How am I compensated for orders that have booked, but not reached all milestones to earn commission?

Sales booked prior to Oct 1, 2023, which have not reached the required milestones for commission eligibility are not earned or due for a payment.

Typically a varying portion of your commission earned was from secured volume production while the rest was earned commission from projects reaching distinct milestones in the sales process (project closure, revenue recognition, cash collection).

Our new plan metrics recognize and pay solely on secured production, as such your typical target cash flow will be similar to the previous plan but will not come partially from previous years productivity. This means compensation will be realized sooner and within the same fiscal year.

To assist with this transition, we will be issuing a one time bridge payment with October commissions. This Bridge is not meant to substitute for unearned commissions, however the proportion of backlog and any significant projects that may have booked in the last 60 days of the prior fiscal year will factor in the final value of this bridge.

Are we ending the High Producer program for HVAC and Fire Sellers?

High Producer Incentives were an element of the FY23 plans. This element does not exist in the FY24 plan design. Sellers reaching *FY23 High Producer* may earn the remaining balance at the close of FY24 if they are still active in a sales role at Johnson Controls.

For FY24 and beyond, funds previously dedicated to High Producer (like other similar elements) were reinvested in the new sales incentive design allowing for increased upside reward in year for significant annual quota achievement.

What happen if I reached a High Producer Threshold in FY23?

Sellers reaching *FY23 High Producer* may earn the remaining balance at the close of FY24 if they are still active in a sales role at Johnson Controls.

How do I understand my expected earnings under the FY24 plan?

Under the FY24 SIP, incentive payouts are determined based on your quota achievement % for each plan measure. Each % of quota equates to a corresponding % of your defined target incentive (known as your payout %). 100% of target incentive for each plan measure is earned at 100% of quota achievement. If your performance in a metric is below quota you can expect a payout % less than your target Incentive, if your achievement is above quota you can expect a payout above your target incentive. Rate of earning is then accelerated for each incremental % of quota achieved above 100%. You will be provided an Excel based earnings estimator to help you estimate your FY24 incentive earnings based on your expected performance.

Why is this plan better than our current plan?

(1) Your FY24 plan is better aligned to the core objectives of your roles – i.e., your incentive is more in your control, (2) The plan is aligned to quota achievement and growth – i.e., if you are exceeding your objectives, you have unlimited earning potential, (3) The plan is much simpler; it will be much easier to understand where to focus to maximize your incentive earnings, (4) The plan primarily pays based on securing business – i.e., you won't have to wait for project execution or cash collection to get paid your incentive.

How do I maximize my earnings on the new plan?

Earnings are uncapped under the new plan. Exceeding your annual quota will allow you to accelerate your earnings for every incremental % of quota achieved. You can also earn additional upside through the plan modifiers, if applicable.

Will I earn less under the new plan design?

The FY24 plan design is entirely correlated to your quota attainment %. For those that meet and exceed quota, you



will have the opportunity to earn more than you have earned in the past. Maximizing earnings under this plan will require a shift of focus towards quota achievement of the core plan measures. Those that fall below their annual quota will likely earn less under this plan; this allows for dollars to be targeted towards those exceeding quota.

How frequent will payouts be made under the new plan?

Most sellers will be paid monthly under the FY24 plan. Sales managers will be paid quarterly, as-is today. Exceptions exist – please refer to your FY24 plan document.

Are incentive payouts tied to project execution and/or cash collection?

No! The core plan measures payout based on secured business. However, there are end-of-year payout modifiers in the plan linked to executed margin and cash collection to ensure performance against these key financial focus areas.

Will there be no payouts until the seller achieves their annual threshold?

The FY24 plan operates on a YTD basis. Based on your plan payout period (e.g., monthly), YTD performance is measured against YTD quota to calculate each month's payout. Payouts begin once seller achieves at least the threshold quota % based on YTD % to quota. For example, if a seller has a \$1.2M Secured Volume quota spread equally across the year (adding \$100K per month) and we are in month 3 of the year the YTD quota would be \$300K. If the threshold for this metric is 40%, in month 3 you must reach 40% of the year-to-date quota, or \$120k, to begin receiving incentive for this metric.

Do payouts “true-up” if I start the year below quota and then catch up and exceed quota?

Yes! Everything in the plan works on a YTD basis. All payouts are true-up each when the payout occurs each month/quarter to ensure you are always paid based on your YTD performance.

Are payouts capped?

At year-end, the incentive plan has uncapped earning potential. However, in month 1 through month 11 (or Q1 to Q3), payouts are capped at 100% of your year-to-date target incentive. E.g., if your annual target incentive is \$24K, your maximum earnings in month 1 is \$2K (1/12th of \$24K), maximum year to date earning in month 2 is \$4K. In month 12, the cap is lifted, and all earned upside pay is released. This is done to limit situations where a seller's performance may not keep pace with quota, and they end the year in arrears due to the YTD nature of the plan.

How will existing backlog be paid out (i.e., jobs sold prior to FY24)?

Quota Allocation & Sales Credit

When will I receive my quota?

You will receive your full FY24 annual quota in mid November. We have revamped our quota allocated process for FY24 and this process requires coordination between our finance teams, sales management and leadership, and other stakeholders.

Will quotas be the same for all sellers?

No, each seller will have a unique quota that reflects elements such as historical sales, sales opportunity, existing pipeline, and other relevant dynamics to ensure quotas are fair and equitable.

Will There Be Review and/or Quota Relief for Big Low Margin Deals?

Under our new program you will receive an overall margin target for your portfolio of business. While it is your responsibility to manage the overall margin profile of their portfolio, we recognize there will be situations where additional consideration is needed.



Any DoA approved and booked order for which the secured dollar amount is both above the establish domain Specific SV\$ amount & less the SGM than 10%, it will be excluded from the margin calculation component of sales compensation. Secured Volume will still be counted toward salesperson's secured volume quota.

Should an order fall outside of this criteria, but you would like a formal review please submit this to your leader for a formal pricing review prior to the close of the month.

The request must include:

- The booked project number/unique identifier
- The correct booked opportunity name
- The Secured dollar amount
- The Booked margin %
- A business case indicating why the Sales Leader believes an exception should be made.

Pricing will review the Exception Request and will inform the Sales Leader of the decision no later than the 10th business day of the month in which the request is received.

How do credit splits work under the new plan design?

For incentive purposes field roles may split credit on orders, but the total credit for a sale must not exceed 100%. Please follow existing split credit guidelines when determining the split % for a sale.

If there is a cross sell program, how will sales in other domains be credited?

Cross selling is indeed a win win! Like in FY23 when a cross sell occurs sellers will split credit per the program guidelines and their associated split will be credited per the terms of their incentive plan.

How is credit Field credit handled for National Accounts sales?

Field sales may split credit with Key Account Managers. The total credit for a sale must not exceed 100%. Please follow existing split credit guidelines when determining the split % for a sale.

How are EQ/Agent Sales being handled?

Field sales may split credit with GP Equipment Sales or Agents. The total credit for a sale must not exceed 100%. Please follow existing split credit guidelines when determining the split % for a sale.

How will Security SaaS be credited to sellers and managers?

SaaS is processed as JCI owned. This consists of 2 parts ADSC and PSA. ADSC & PSA will both count toward Secured Volume. Only PSA will count toward New Recurring Annual Contract Value (ACV) where it is an element of your incentive plan. For example: A SaaS contract is sold consisting of ADSC at \$2,000 and PSA Annual Contract Value (ACV) at \$3,000 for a term of 5 years. The sales would provide \$5,000 in production toward Secured Volume quota (PSA ACV + ADSC). The Sales would also provide \$4,500 in New PSA Recurring ACV credit toward quota (PSA ACV X 1.5X for the multi-year credit accelerator).

How are Intercompany Sales being handled?

If credited to the seller- it credits to the manager, these are a part of the plan number provided.

SI & CP sales- how do managers get credit?

Our Financial plan reflects a contribution from the field for CP & SI. Managers receive credit for sales made by them or their team.

If a seller sells outside the local market, does the SM get credit?

Yes, LMSM credit is a roll up of their sellers. LMSM Quota is set though based on their share of the Local Market Targets (which includes contributions of both sales by reps in and out of the local market)- there will be some "import and exports" as a part of this process.

Is there a mechanism to protect individuals who take strategic low margin business?

Yes, we will be retiring the BU specific approaches to applied historically (ex. Imputed margin in HVAC or TIP in Fire) and replacing this with a consistent approach based on deal size relative to quota and margin rate.



Will Secured Volume on Intercompany count towards quota (Seller & Sales Mgr)?

Yes, Intercompany secured volume will count toward quota retirement for both FLS and FLSM.

Can we understand the value of someone carrying a large quota when the TI could be the same as someone with half the quota?

Every dollar of productivity is not the same. Established versus non-established accounts and different types of sales can have an impact on the size of portfolio a seller can manage and effectively grow.

Will Secured Volume or Secured Margin Targets be aggregate values or will there be multiple values for sellers who have potential to sell multiple product lines?

Compensation Reporting

Where can I go to see my interim reporting for sales compensation?

Your manager will provide a link to you once quotas are released.

How will I be able to see my sales compensation post launch?

Our Incentive Compensation Management (Callidus for HVAC and Fire or Oracle SPM for security) tools available to you now are the same tools you will use to manage incentive information in FY24. Additional training from the incentive administration team will be available as new dashboards and features are released. Prior to the payment of October incentives interim reporting will be available to track progress toward quota. After that point all detail can be found on your Callidus or Oracle SPM dashboards.

When will the new sales compensation reporting be available?

Reporting will be available as soon as quotas are released. Reporting will provide you a minimum of a weekly snapshot of production toward quota for Secured Volume, margin % and Net New Recurring Service ACV.